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ISRAELI TROOPS KILL 3 PALESTINIANS — Family members surrounding the coffin of Hassan Abu Thuraya, a member of Yasser Arafat's elite guard unit. He was one of three men killed Wednesday by Israeli border troops as one of the Palestinians tried to sneak from Egypt into Gaza. Page 10.

Squabbles Threatening To Sidetrack G-7 Summit

By Alan Friedman

International Herald Tribune

HALIFAX, Nova Scotia — If the leaders of the Group of Seven leading industrial nations were members of a corporate board of directors, their squabbles would probably paralyze the company.

The indecision and deep divisions over strategy will be apparent Thursday, when the G-7 government chiefs arrive here for the start of their annual economic summit meeting.

The main unanswered question is to what extent the G-7 leaders — who together represent countries accounting for about 50 percent of the world economy — will need to paper over the differences when they issue their final communiqué.

Especially troubling for this summit meeting is that it risks being distracted if not derailed from its economic purpose by the violence in Bosnia, concern over France's decision to resume nuclear testing and — most of all — by the bad blood between the United States and the world's two most important other economies — Japan and Germany.

This distraction is especially troubling because it comes amid signs of slowing economic growth throughout the G-7.

Washington and Tokyo have been on the brink of a trade war since May 16, when the United States threatened to impose \$5.9 billion worth of punitive tariffs on Japanese autos unless Tokyo opened its market to U.S. cars and car parts.

The European Union, with the support of France, has launched repeated public attacks on Washington and praised it in private while simultaneously cozying up to the Japanese leadership. The tactic is an apparent effort by Sir Leon Brittan, the trade commissioner, to score by playing both sides of the dispute.

Relations between the United States and Germany have suffered, meanwhile, because of repeated public and private criticism of the Clinton administration's economic policies by government officials in Bonn and by the Bundesbank in Frankfurt.

"They don't know what they are doing in Washington on the dollar or the deficit, and their handling of the Mexican crisis was a mess," a senior German government

See HALIFAX, Page 10

Sex Slaves: Japan Shows Remorse

By Nicholas D. Kristof
New York Times Service

TOKYO — In an effort to atone for Japanese behavior during World War II, the government announced the establishment Wednesday of a fund to help tens of thousands of women whom the Japanese Army forced to be sex slaves during the war.

The fund is an attempt to settle a long-standing irritant in relations with other Asian countries by showing remorse for forcing "comfort women," as they were then called, to serve troops in front-line

brothels. Most of the women were Korean, but some were Dutch, Indonesian, Filipino and Chinese.

The proposal falls short of what victims have been asking for, however. In addition, as a show of remorse it was undermined when legislators in the upper house of Parliament killed a resolution on Wednesday expressing remorse for Japan's conduct during World War II.

The lower house of Parliament approved a weak resolution of remorse on Friday night, but only after a majority of members either stayed away or voted no.

That resolution included no apology, and says only that Japan engaged in some "aggressive-like acts" in the context of other countries doing the same things.

Resolutions are statements of each individual chamber in the Parliament, so the lower house declaration still stands. But as a show of national remorse, it was undercut by the informal decision of upper house legislators not even to consider such a resolution in the current session.

In announcing the fund for the sex

See COMFORT, Page 10

AGENDA

Rebel Iraqi Unit Sets Off Battle

AMMAN (AP) — An armored unit mounted a rebellion on the outskirts of the Iraqi capital, Baghdad, on Wednesday and vowed to "fight to the death" in a showdown between the authorities and the powerful Dulaimi tribe, witnesses said.

The 14 July battalion attacked Bagdad Radio transmitters and a private heliport of President Saddam Hussein in the Abu Ghirib area, 20 kilometers (12 miles) west of the capital.

The attack, led by General Turki Ismail al-Dulaimi, triggered a battle with tanks, armored vehicles and helicopters, the witnesses said, contacted by telephone from Amman.

An air force general was killed in the fighting around the heliport where several homes of pilots were hit, they said.

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Smuggling People / Big-Time Crime in Eastern Europe

Inventive Swindlers Prey on Desperate Aliens

By Raymond Bonner
New York Times Service

ZAKOPANE, Poland — On a recent Saturday morning, some three-score residents of this mountain community assembled at the ski jump for a trip to the United States, first by bus to Germany, then on Lufthansa across the Atlantic. They included a grandmother and her 3-year-old granddaughter, a mother and her three children, several unemployed women in their 20s and a few men in their 70s. Each had paid at least \$6,000.

They had paid the money as sponsors of a local sports club and were accompanying the national weightlifting team to a competition in Chicago — or so their documents said.

But the only thing these people were sponsoring was their own entry into the United States. No sports team was going to Chicago, or anywhere else.

It was all organized by the chairman of the club, who had been successful in the past in getting Poles without valid visas into the United States, said two people who signed up for the most recent attempt. This time, though, an immigration officer at the Frankfurt airport suspected that the American visas were forged, which turned out to be, officials said. The immigrants were sent home.

The case is part of a growing phenomenon of trafficking in illegal immigrants from and through Eastern and Central Europe.

Immigrants from Sri Lanka, Bangladesh, and Afghanistan, and from Africa and the Middle East are being smuggled to the West, moved along routes that have developed since the Communists fell and, with them, rigid border controls. They are being moved in many ways, among them freight-hauling trucks and ship cargo containers.

WHAT worries officials most is that international crime syndicates are getting involved in illegal immigration.

"There are tangible indicators that the smugglers of stolen automobiles and illicit narcotics have decided to diversify their portfolio to include alien smuggling," Thomas Tass, a Canadian immigration official, wrote in a paper he delivered recently to a conference in Budapest.

"These organizations should not be underestimated in their ability to move thousands of people illegally from one country to another while earning huge profits with minimum risk," said Mr. Tass, who is based in Warsaw and is considered the leading authority on this issue.

Smuggling people fits well into an organized crime conglomerate. A desperate alien who cannot afford the fee may be allowed to go in exchange for carrying drugs, and the immigrant will be expected to work for the gang in the United States or Europe, as a prostitute or a drug dealer, to pay back the money, officials said.

As for profits, the organizer of the weightlifters' tour, Stefan Kozioł, 35, took in nearly \$400,000, according to two women in the group. Mr. Kozioł is now in jail on charges of fraud. He has not been charged with smuggling people, which is not a crime in Poland. Polish authorities declined to allow him to be interviewed, but he has said he is innocent.



Two Africans passing the time in temporary quarters in Hungary for would-be immigrants without residence permits.

The International Center for Migration Policy Development, a nonprofit, intergovernmental organization in Vienna, has calculated that illegal immigration syndicates in Europe raked in between \$100 million and \$1.1 billion in 1993.

The wide range in the estimate is a reflection of how little is known about the problem, the gravity of which is only beginning to register. Interpol has no coordinated campaigns in this area, officials said. The funds the European Union has made available for economic restructuring in Eastern and Central Europe can be used to combat drug trafficking, but not trafficking in illegal immigrants, said Tamás Kiss, who works for the Migration Policy Center.

The traffickers have been successful in staying ahead of ill-trained local police who are inexperienced in dealing with this problem.

"It is like drugs — there are routes," said Colonel Attila Krisan, spokesman for Hungary's Border Guards, who seized nearly 15,000 illegal immigrants last year from scores of countries who were trying to move through Hungary.

Common European entry points for refugees from Asia, the Middle East and Africa are Romania and Bulgaria, which have

more lenient visa requirements and weaker law enforcement than other countries in the region.

EARLIER this year, somewhere in Romania, 60 Bangladeshis were loaded into the back of a long canvas-covered truck, which was hauling tomato paste to Germany.

The truck successfully crossed into Hungary and made the journey of several hours to Slovakia. In Slovakia customs officials lifted the cover and were shocked to find people. The men were heading for the West to find jobs and had paid \$2,500 to \$4,000 each to a trafficker.

For illegal Asian immigrants, Chinese restaurants in Eastern European capitals often provide a cover.

They provide the immigrants with work permits, which get them into the country. After working for awhile, they move on — to Germany and, in many cases, to the United States, officials said.

"The raison d'être for these businesses goes beyond providing alternative menus" for local residents, Mr. Tass, the Canadian immigration official, noted wryly at the conference in Budapest.

He told of one Chinese restaurant in Prague

that employed more than 800 people. "Even more remarkable was the fact that the restaurant had only eight tables," Mr. Tass said.

Another growing gateway to the West is through the Baltic republics of Estonia, Latvia, and Lithuania. Immigrants moving through these countries, including large numbers from the impoverished former Soviet republics of Central Asia, then travel by sea to Scandinavia.

Many of the immigrants reach the Baltic countries via Moscow.

Last year, 64 Kurds and Pakistanis, including 26 children, were discovered in a sealed container on a car ferry from Tallinn, Estonia, to Stockholm.

In late May, the Polish police detained 49 Asians who had made it to the Baltic lands, then crossed from Lithuania into Poland, where their luck ran out.

Moscow has become a major transit center for migrants from Asia, Africa, the Middle East and Central Asia.

By train, bus or plane, they move west to Poland and the Czech Republic, and then on to the West.

At 9 Out of 10 EU Beaches, the Water's Fine for Bathers

Reuters

BRUSSELS — For vacationers heading to the beach in Western Europe, there is mostly good news.

Figures for 12 European Union countries show that 90 percent of coastal zones designated for bathing met EU standards for water quality.

But, the EU cautions, it is wise to be wary. Germany, Britain and possibly the Netherlands.

More than one third of Dutch beaches break EU norms for waterborne bacteria, according

to the EU's 1994 bathing water quality report made public on Wednesday, which includes designated bathing beaches for which there were no data.

Among these is the popular Scheveningen beach next to The Hague and several beaches in Zeeland.

Figures for Britain and Germany, where up to one in five designated beaches broke EU water rules, gave a true picture of water quality because of more complete reporting.

The south beach at Blackpool, in northwestern England,

breaks EU water norms, as does the one at Brighton on the south coast.

And nudists testing the water on Germany's Sylt Island should also beware as they could be exposed to substantial water at all three of the upmarket Kampen's bathing areas.

The EU's tests measure bacteria in the water, mainly generated by human waste from sewage outfalls. The bacteria can cause a range of infections, including gastroenteritis.

But over all, vacationers

bound for summer breaks on EU beaches can take some comfort from a slight improvement in bathing water quality, a European Commission spokesman, John Iversen, said.

"There has been a slight improvement last year" in EU bathing water quality, he said. "This improvement in the quality of sea water has been constant for some years now."

Data for the new EU members Austria, Sweden and Finland are not included.

Vacationers prepared to take a gamble on the weather should

head for Ireland, top of the EU class for the quality of its bathing water in all designated areas, inland and coastal, which meets all the mandatory norms.

The warmer beaches of southern EU countries such as Spain, Greece, France, Portugal and Italy generally met the 90 percent average, though the latter fell below.

In the 20 years since the water quality standards were adopted, there has been a gradual improvement for coastal waters, but the quality of inland

bathing areas has fallen. Only 65 percent of these designated zones met the standards.

Swimmers should also be aware that recorded improvements relate only to mandatory norms in zones the countries have designated as bathing areas.

Of the noncompulsory quality measures, perhaps the most controversial is one for "floating material."

The term includes discarded sanitary towels, condoms and human waste on the water surface.

German Touts Way To Snuff Out Fires With a 'Hot Bang'

By Brandon Mitchener
International Herald Tribune

FRANKFURT — When

Reinhard Ries sees footage of forests burning in Sydney, along the coast of Spain or in Malibu, California, what frustrates him as much as the damage done is that nothing big ever burns close enough for him to take a whack at putting it out.

"It's too bad, but we've never had a forest fire here," Mr. Ries, the chief of the Frankfurt Fire Department, said with a sigh.

Together with an uncle, Winfried Rosenstock, who is an explosives expert, Mr. Ries hopes to test a method of fighting major blazes where they are more common — in Australia, the Mediterranean or the southwestern United States. The method they invented — the Rosenstock-Ries System, which is also called 2rs or the "hot bang" — has been patented.

So far, the technique has been tested successfully in controlled experiments in Germany and Australia. A videotape of the 2rs system seems impractical, he said. "We don't put our forest fires — Mother Nature does."

But Rick Finch, assistant chief officer for planning and technical support at the Western Australia Fire and Rescue Service, who first heard about the technique toward the end of the region's fire season a few months ago, said it had some potential and deserved a test in a live-action situation.

Peter Rechenbach, head of the technical department of the Hamburg Fire Department and an authority on fighting forest fires, also said the technique must prove itself.

So far, the technique has been tested successfully in controlled experiments in Germany and Australia. A videotape of the 2rs system seems impractical.

"Portugal wants to see it in any case," Mr. Ries said. "and Spain is more than interested."

In Australia, the Department of Forestry and Bush Fires is organizing a controlled test, and the armed services are "very, very interested," said Peter Mysliewicz, a 2rs representative in Melbourne.

The method consists of laying an oversized plastic hose with an explosive wire inside in front of an approaching fire wall — or around any large blaze — then filling the hose with water and blasting it into droplets that put the fire out in a kind of dense fog bank that expands at a rate of 100 meters (330 feet) a second.

The technique uses only a tenth the water of conventional fire-fighting methods and has the advantage of being administered exactly when and where it is needed.

"In Malibu, they could have used the swimming pools," said Mr. Ries, referring to fires last year that caused millions of dollars in damage in Southern California. "The water was right where they needed it, but no one knew how to use it."

Fire fighters did spray pool water on houses in Malibu, but the amount of water was dwarfed by the intensity of the fires. Mr. Ries said his method reverses the odds by dispersing hundreds of tons of water at the heart of a fire in a matter of seconds. The impact of the blast

TRAVEL UPDATE

Pharaoh's Tomb Located in Egypt

CAIRO (Reuters) — Egyptian archaeologists have discovered a pharaonic tomb believed to belong to a king of the 18th dynasty, under a house in the southern province of Luxor, the Supreme Council of Antiquities said.

"We believe there are many more tombs in the village of Kom el-Matrai that people have built houses upon," said Abdel Halim Nourredin, director of the council. Mr. Nourredin said the excavations could barely make out the inscriptions found in the tomb, but that they believe it could belong to a king called Tuthmosis who ruled Egypt nearly 3,500 years ago.

Relief depictions of the ancient god Anubis mummifying a body watched by Isis and Nepthys, two sister goddesses who guard the dead, are etched on the walls.

Air traffic in Scandinavia was paralyzed for the third day in a week on Wednesday when pilots working for Scandinavian Air Lines System went on strike over pay, SAS said. SAS said 800 flights would be canceled and 40,000 to 50,000 passengers affected by the strike during the day.

Muscovites also are enduring a record heat wave, with air temperatures of 29 degrees centigrade (85 degrees Fahrenheit) over the last three weeks. A stretch of the Moskva River southeast of Moscow was closed after health officials had found the bacteria that causes cholera.

(Reuters)

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In Stockholm For Business

STOCKHOLM was founded in the 1200s, grew as a trade center and became the capital of Sweden in 1523. The city expanded and prospered through the years and has enjoyed a long tradition of sensible city planning that has helped it handle urban problems of congestion and decay. Sweden remained neutral during World War I and World War II, allowing it to escape the kind of damage experienced by other European cities.

Stockholm has more than a large county town than of a small capital city. Many cities come alive at night as people spill out on the streets to eat and drink. Not Stockholm. People rush home to eat, watch television, or read. With few exceptions, the city's streets are dead by early evening.

One reason for this is the climate. The long, bitter winters with their few hours of daylight keep the Swedes tucked away in their centrally heated homes and offices. Come the summer, with its long and usually sunny days, they tend to flee to the countryside or the archipelago, leaving the city to tourists.

Stockholm's tranquility is part of its charm. Perched on a cluster of 10 islands where the waters of Lake Mälaren run into the Baltic Sea, Stockholm is beautiful: azure skies and dazzling reflections in the summer, sheets of ice linking the islands into one white blanket in the winter.

Stockholm is clean, tidy and well-ordered. Street violence is not a serious problem. The air and water are unpolluted; even today you can fish for salmon in the very center of the city.

Getting Around

It is easy to get around in Stockholm. The city is small, so you may wish to walk if the weather is nice. Otherwise, taxis are readily available and not too expensive, while the local subway (Tunnelbana) and bus system are well-developed and cheap. It is best to reserve a taxi in advance if you want one during rush hours. Your hotel will do this for you. You can catch cabs all over the city — wave at one with its top light showing "ledig." At cab ranks, just pick up the phone, which will connect you free and automatically with the central reservation system.

The nice thing about Stockholm radio cabs is that blaring radio chit-chat has been replaced by the discreet click-clack of a high-speed thermal printer passing on messages from the dispatcher.

The tip is included in the meter fare. You may round off the payment slightly, if you desire.

At a Glance

Street numbers go out in all directions, originating at the Stockholm Palace in the Old Town. The skyline is dominated by church spires rather than skyscrapers, though few Swedes today are strongly religious. The neighborhood around Sergels Torg is an ugly mass of shopping malls and offices; by contrast, the old financial district around Kungsträdgården is graced with elegant buildings, such as the headquarters of Skandinaviska Enskilda Banken. A little further south lies Gamla Stan (Old Town), once a slum but

now transformed into a smart residential area with cobbled streets, trendy shops and houses dating from the 1400s and 1500s.

In a Word

English is spoken widely and usually fluently; many people also speak German. Street signs and even newspapers are easy for many foreigners to puzzle out, particularly if they have a smattering of German: the two languages are related.

Wining & Dining

There tends to be only one kind of restaurant: expensive. That is mainly due to high labor costs and high taxes on all forms of alcohol.

Swedish cuisine emphasizes fish and game, which can be excellent. Although they are costly, wines are usually good. As one of the world's largest single buyers, the state monopoly gets favored treatment from vineyards and shippers.

The following establishments offer better value for money than others and have been selected for their success in combining both good food and a pleasant, interesting atmosphere. Lunch and

Est. Est. Est. 33 Jungfrugatan. Tel.: 662-9292. New, trendy New York-style atmosphere with Italian food. A place where the so-called Beautiful People go to see and be seen.

Grand Hotel, 8 Blasieholmsvägen. Tel.: 221020. Both the veranda bar and French dining room are open for lunch and dinner, serving simple meals and light snacks. Carafe wines and Pippa export beer on tap. Wonderful waterfront view.

Den Gyldene Freden, 51 Österlånggatan. Tel.: 109046. Classic home cooking with fish specialties. Legend has it that many Nobel laureates in literature have been unofficially elected at these tables.

Kajplats 9, Norrmälarstrand. Tel.: 652-4545. Resembles an old warehouse, but don't be put off. The fish is excellent and there is a good view over the waterfront.

Kicki & Co., 16-18 Skapargatan. Tel.: 661-6143. An authentic neighborhood restaurant serving everything from meatballs to snails.

Leijontornet, 5 Lilla Nygatan. Tel.: 142355. Excellent food in an exclusive Old Town cellar with a restored medieval wall.

Leungs, 50 Valhallavägen. Tel.: 612-5779. Chinese food from several cantons cooked and served by members of the family.

Nils Emil, 122 Folkungagatan. Tel.: 640-7209. A restaurant that specializes in traditional Swedish home-style cooking. Casual, elegant atmosphere that attracts the Royal Family as frequent guests. Prices are not over the top.

Operakällaren, Opera House. Tel.: 4111125. Where the rich — they need to be — and socialites wine and dine. Remarkable service, food and wines in formal surroundings. Reservations essential.

Paul & Norbert, 9 Strandvägen. Tel.: 663-8183. Rated by Michelin. Meeting place of connoisseurs of food and wine who linger over foie gras and delicious reindeer steak. Arctic circle berries are blended in. A place for a top executive dinner.

Riche, 4 Birger Jarlsgatan. Tel.: 679-6840. A very popular French-style bistro that is good for both lunch and dinner.

Teatergrillen, 3 Nybrogatan. Tel.: 679-6842. Traditional Swedish atmosphere with classic entrées for the more conservative. The food is very good. Interior is a throwback to the 1950s.

Widegård, 111 Regeingsgatan. Tel.: 4116153. A theater-themed restaurant. Elegant, modern atmosphere with private dining room for smaller dinners or meetings. Wine-tasting cellar.

Café Opera, Kungsträdgården. Tel.: 676-5807. Located in the historic opera building, another restaurant for a quick lunch or dinner. Well-prepared, simple meals at reasonable prices. A favorite hangout of local professionals. Nightly disco.

Café Tranan, 14 Karlbergsvägen. Tel.: 300765. French bistro atmosphere with young people.

Erik's, 17 Österlånggatan. Tel.: 238500. Small bar with lots of locals and a simple menu downstairs. Upstairs in this quaint building is Michelin-rated food, including sweet baked herring soufflé and duckling. Private dining room for eight.

Excerpted from the "International Herald Tribune Guide to Europe" (third edition, NYC Publishing) by Alan Tiller and Roger Beardwood.

Calling Around

Country code: 46. City code: 8.

- Operator assistance: 0019
- Emergencies: 90000
- Dentist: 654-1117; evenings: 644-9200
- Pharmacy (24 hours): 218934
- Airport information: 797-6000
- Tourism information (Stockholm): 789-2400

From the "International Herald Tribune Guide to Europe" (third edition, NYC Publishing) by Alan Tiller and Roger Beardwood.

Next City

Copenhagen

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AUSTRALIA	1800-587-0111		PHILIPPINES*	125-11	BULGARIA	0-1800-550-0010	IRELAND	0-100-550-0010	BAHRAM	009-800-0011	PERU*	171
CHINA, PRC***	1800-587-0111		SAXAPAN*	225-2072	CROATIA**	0-300-0111	ITALY*	172-1911	CYPRUS*	008-0009	VENEZUELA**	80-811-123
HONG KONG	1800-587-0111		SINGAPORE	000-011-1111	CZECH REPUBLIC	0-420-00101	LIECHTENSTEIN*	155-00-11	Egypt (Cairo)	510-0200	BRASIL	000-8000
INDIA*	001-401-1111		SRILANKA	43-00	DENMARK	0-45-00100	LUXEMBOURG	81-005	ISRAEL	177-00-11	AFRICA	100
INDONESIA*	001-401-1111		TAIWAN*	000-10298-8	FINLAND	0-900-1000	LUXEMBOURG	0-00-0111	KUWAIT	008-200	GABON	08-001
JAPAN*	001-401-1111		THAILAND*	0019-991-1111	FRANCE	10-001	MALTA	000-00100	LEBANON (BEIRUT)	425-001	GAMBIA	0011
KOREA	001-401-1111		UKRAINE*	001-001-1111	GERMANY	02-000-00100	MOSCOW	02-001-00100	CHILE	000-11-0010	IVORY COAST	00-111-11
MALAYSIA*	001-401-1111		AZERBAIJAN*	014-001-1111	NETHERLANDS	00-001-00111	NORWAY	000-100-1111	EL SALVADOR*	100	LIBERIA	000-10-0010
PAKISTAN	001-401-1111		ARMENIA*	014-001-1111	ROMANIA	00-001-00111	NETHERLANDS	000-100-1111	HONDURAS*	123	SOUTH AFRICA	0-000-00-0123
MALTA*	001-401-1111		AUSTRIA**	022-000-0111	ROMANIA	00-001-00111	NETHERLANDS	000-100-1111	UARAB EMIRATES*	000-121	TRUWORLD CONNECTIONS	
MALAYSIA*	001-401-1111											

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EUROPE

Yeltsin Accepts Resignation of Lebed, a Popular General

By Steven Erlanger
New York Times Service

MOSCOW — President Boris N. Yeltsin accepted the resignation Wednesday of the Russian Army's most popular and outspoken commander, Lieutenant General Alexander M. Lebed, creating a powerful potential challenger for the 1996 presidential election.

Gruff, honest, authoritarian in style and relatively moderate in his political

views, General Lebed, 45, has until now been a kind of Colin Powell of Russian politics: attractive but vague about his ambitions. Now he has become a sort of Douglas MacArthur in a country that polls say is yearning for strong leadership.

General Lebed, a former boxer and a veteran of Afghanistan who says he is an admirer of the former Chilean military dictator, Augusto Pinochet, has been a fierce critic of Russia's war in Chechnya and of Mr. Yeltsin's de-

fense minister, General Pavel S. Grachev.

In a brief telephone interview Wednesday night, General Lebed said he had no formal notification from Mr. Yeltsin.

"The president is sick and tired of me and I am sick and tired of him," he said.

General Lebed, who considers Russia still an empire and not yet a democracy, has recently joined the ruling board of a relatively moderate nation-

alist party, the Congress of Russian Communities.

Mr. Yeltsin clearly did not want to dismiss General Lebed and release him from military loyalty to the head of state. In August 1994, when General Lebed defied General Grachev over a transfer from his post as commander of the Russian 14th Army in Moldova, a former Soviet republic between Ukraine and Romania, Mr. Yeltsin supported General Lebed.

But Russia has signed a pact with

Moldova to withdraw the 14th Army, a decision General Lebed opposes as precipitate and likely to lead to renewed fighting between Moldovans and a breakaway Russian-dominated enclave.

Two weeks ago, faced with direct orders to disband his command and take another post, General Lebed wrote a letter of resignation and appeared before the Parliament, saying he wanted to prevent "another Checheny."

EUROPEAN TOPICS

Bikers Succeed Skiers In Flying Down Slopes

What to do with all those ski lifts and rock-covered mountain pistes if, as some predict, global warming dramatically shortens the ski season? Increasingly, European ski stations are opening their facilities to mountain bikers.

At Zermatt and Laax in Switzerland; Elurwald, Ischgl and Schefau in Austria; Chamonix and Metabief in France, and Aspasia, Kreuzberg and Hauberg in Germany, lifts have been opened to sports riders with their bikes. Some resorts have reserved trails exclusively for bikers; group outings are increasingly common. The stations are thus appealing to a fast-growing group: In Germany alone, some 700,000 mountain bikes are sold each year, reports the German weekly Focus.

But environmentalists worry about the potential damage to vegetation. And the high speeds (up to 80 kilometers or 50 miles per hour) and steep gradients can lead to serious injuries — half of them to the head.

Around Europe

Poland has Europe's most dangerous highways, in terms of deaths per population. A record 6,744 traffic deaths were reported there last year, in the first quarter of this year, there were 159 more than in the year-earlier period. The Poles are paying the price of

change. In the last six years, the number of cars has doubled. Add to that an explosion in visitors — 16 million foreign vehicles crossed into Poland last year — and the country's inadequate roads and highways have become seriously overburdened.

What to do when a hostage-taker demands a fast getaway car? The situation seems to be arising more and more often in Germany. And when the demand is for, say, a Porsche 928 (as in a recent case), the police have their work cut out for them. Rental firms tend to be skittish. Sometimes calling on private individuals is an

answer. When the police in Cells were asked by two prison escapees for a fast car, they first called a big Porsche distributor. The dealer did not have the right model on hand but contacted a client — himself a regional police official. He agreed.

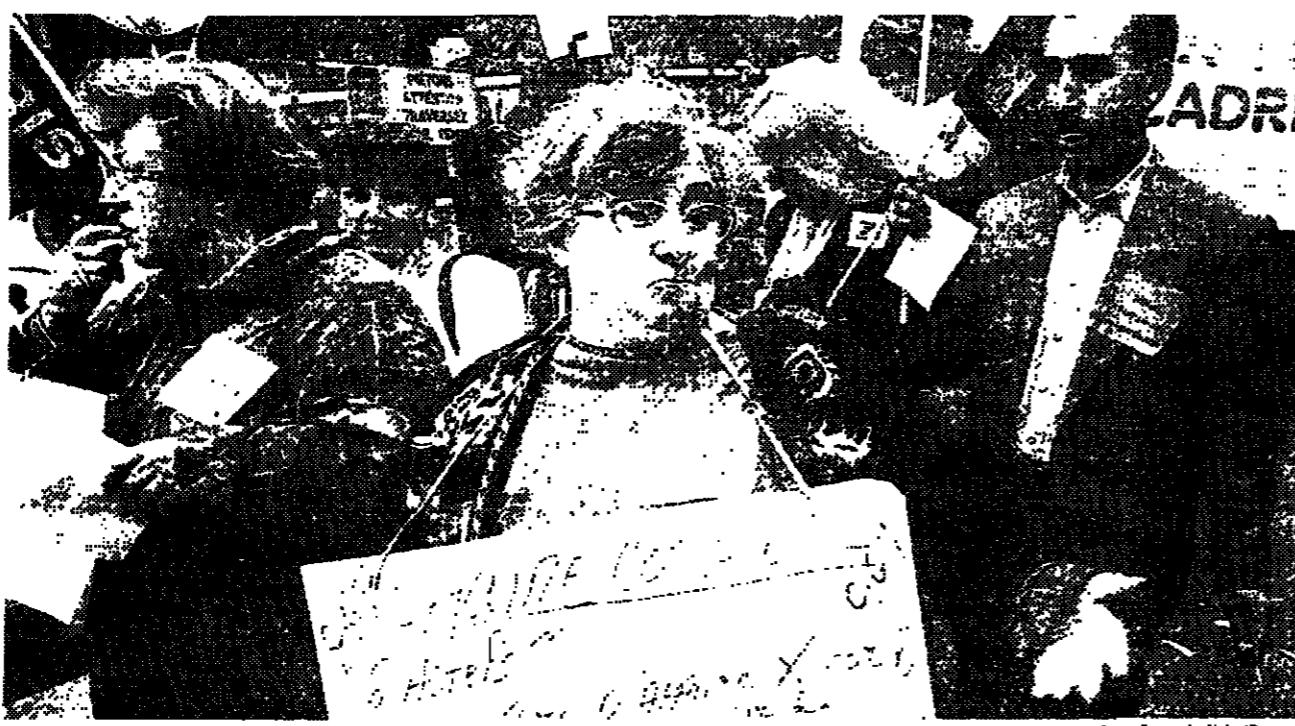
The decline of the Russian empire is being felt in French classrooms: The number of secondary school students studying Russian has dropped by more than one-third in the last 10 years. Nikita Stroove, director of the Slavic language department at Nanterre University, blames the French news media for painting a

"much too negative image" of Russia.

The new geographic center of the European Union has been determined by the National Geographic Institute in Paris — but unfortunately, the place does not exactly exist.

When Austria, Finland and Sweden joined the EU, its center shifted from the French village of Saint-Clément, northwest of Lyon, to the commune of Viroinval in Belgium's Ardennes forest. But a frustrated reporter from the French daily *Le Figaro* found that there is no Viroinval; or rather, there is, but it combines eight towns and villages.

Brian Knowlton



LET'S GO! — A General Labor Confederation member blowing her whistle Wednesday as a Paris protest began.

Atom Deal In Danger, Russia Says

The Associated Press
MOSCOW — Russia accused the United States on Wednesday of trying to drop the price on uranium it agreed to buy from Moscow in 1992 as part of a nuclear disarmament program.

An official of the Nuclear Energy Ministry, Vitali Konakov, was quoted by the Interfax news agency as saying that U.S. negotiators were trying to cut "by one-third to one-half" what Russia considered a fair price for the uranium.

He refused to disclose the figures being discussed, but his criticism lent weight to recent speculation that the disarmament accord may be unraveling because of a dispute over prices.

But another government official here said he did not think the deal was in serious danger.

"Politically, this agreement is useful and serves Russia's economic interests," said Sergei Kislyak, director of the Foreign Ministry's security and disarmament department. "It is about conversion of weaponry, which costs a lot of money and which can be put to peaceful purposes."

Under the 1992 accord, Russia is supposed to provide 500 metric tons of uranium from dismantled Soviet-era nuclear weapons.

The Bush administration said in 1992 that the United States

would pay Russia \$12 billion for the uranium, but added that that was only an estimate.

BRIEFLY EUROPE

EU Likely to Limit Fishing Rights

BRUSSELS — European Union fisheries ministers are expected to override Spanish objections and approve proposals on Thursday to control how much fishing each member state does in Western waters, EU officials said.

The proposals are linked to an EU decision last December to give Spain and Portugal full fishing rights off the west coasts of Britain and Ireland from Jan. 1, 1996.

So-called fishing effort limits, calculated according to fleet capacity and time spent at sea, are aimed at preventing increased fishing. (Reuters)

More Political Strife for González

MADRID — Just weeks before Spain assumes the chairmanship of the EU's rotating presidency, a newspaper's revelation of possible illegal eavesdropping by Spain's main intelligence service has resulted in another political scandal for the governing Socialists and renewed calls for Prime Minister Felipe González's resignation.

Front pages of newspapers across Spain on Wednesday carried stories about the eavesdropping by CESID, the military intelligence service, that reportedly recorded conversations by everyone from King Juan Carlos to the president of Real Madrid, this year's first-division soccer champion.

Mr. González told reporters Wednesday that he first learned about the issue from the newspapers. (AP)

New Threats to Major's Survival

LONDON — John Major's chances of surviving as prime minister were widely questioned on Wednesday as his government battled to control a new bout of infighting over Europe and a row over illegal arms sales to Iran.

Newspapers said the chance of a challenge to Mr. Major for leadership of the Conservative Party rose after a bad-tempered meeting between the prime minister and anti-European Conservative members of Parliament. (Reuters)

Berlusconi v. Judges, Next Round

ROME — Coincidence it may be, but Milan's magistrates seem to time their punches to perfection in their bruising battle with Silvio Berlusconi, the former prime minister.

News on Tuesday that prosecutors want the billionaire politician put on trial for alleged tax fraud on a land deal broke after Mr. Berlusconi had tasted victory in referendums that could have forced him to break up his television empire.

But another government official here said he did not think the deal was in serious danger.

"Politically, this agreement is useful and serves Russia's economic interests," said Sergei Kislyak, director of the Foreign Ministry's security and disarmament department. "It is about conversion of weaponry, which costs a lot of money and which can be put to peaceful purposes."

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Calendar

European Union events scheduled for Thursday, June 15

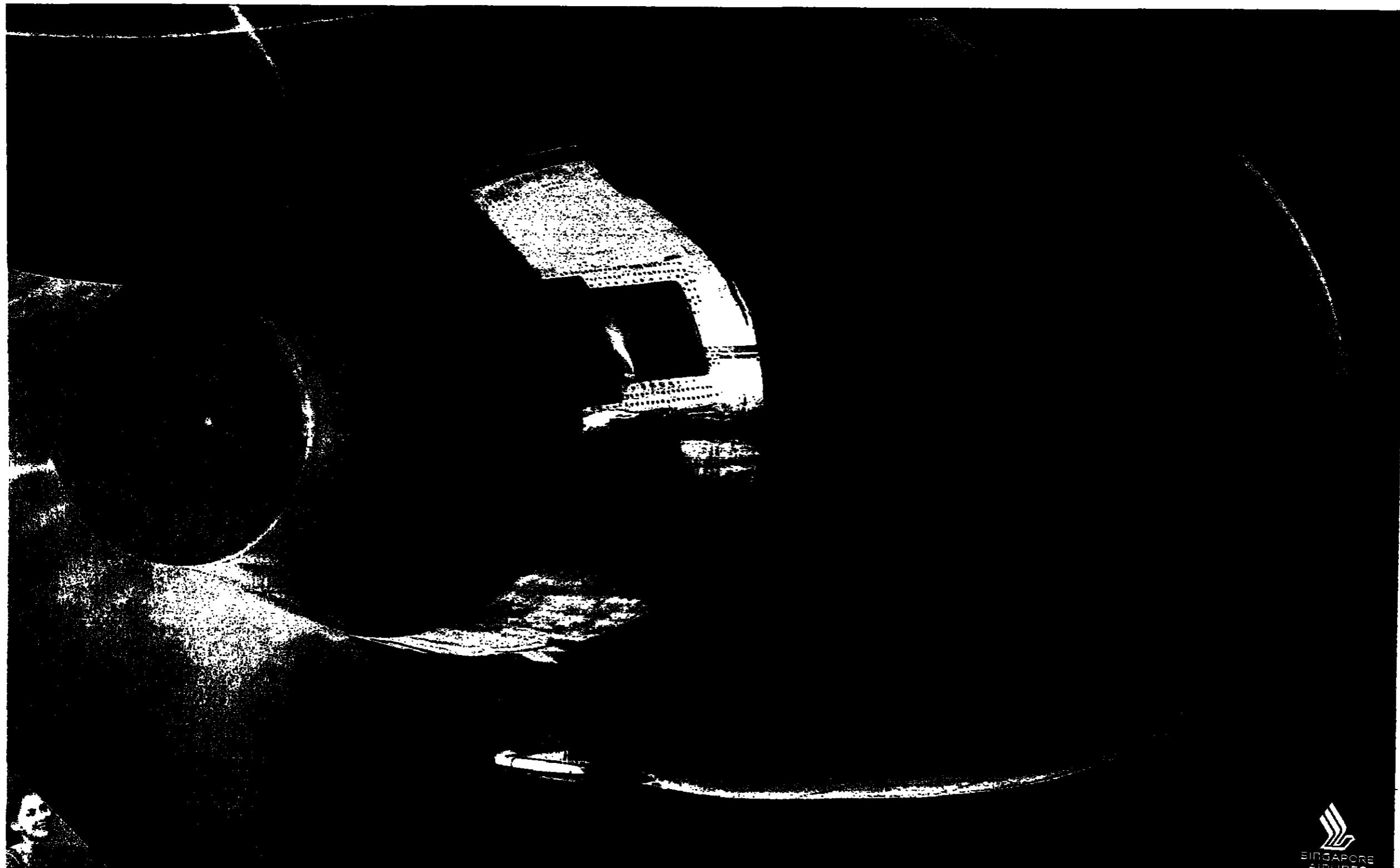
STRASBOURG: Parliament votes on the situation in Chechnya and relations with Russia, and debates the issue of French nuclear testing.

LUXEMBOURG: Fishery ministers meet to discuss outstanding issues regarding a fishing agreement with Morocco.

GENEVA: The social affairs commissioner, Padraig Flynn, attends a meeting of the International Labor Office.

BRUSSELS: The transport commissioner, Neil Kinnock, meets Sir Colin Marshall, chairman of British Airways.

Sources: Agence Europe, AFP.



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SINGAPORE AIRLINES



AN EYE FOR PROTEST — Supporters of Pakistan's Muhajir National Movement demonstrating Wednesday outside the Pakistan Embassy in Brussels as an embassy worker hurriedly installed a security camera. The group says that Pakistan's government discriminates against the Muslim immigrants from India known as Muhajirs.

Iraqi Army Repels Rebels Near Baghdad

Compiled by Our Staff From Dispatches

NICOSIA — Iraqi soldiers used tanks and helicopters to repel an assault by tribesmen and soldiers Wednesday on a radio transmitter outside Baghdad, dissidents said.

The reported fighting did not appear to threaten President Saddam Hussein's grip on power. But it was further evidence of unrest among the large Dulaime tribe, which dissidents say took part in riots in May in the western province of Al Anbar.

The attack was led by members of the tribe on a relay station in Abu Ghraib, the site of a military camp and prison, according to Hamid Bayati, a leader of an Iraqi opposition group in London, who was

quoting Baghdad sources. Transmission from the station, 181 kilometers (12 miles) west of Baghdad, stopped for a short period and then resumed.

An armored unit, the 14 July battalion, attacked the Baghdad Radio transmitters, as well as a heliport used by Mr. Saddam.

The attack, led by General Turki Ismail Dulaimi, touched off a battle with tanks, armored vehicles and helicopters, according to witnesses who were contacted by telephone from Amman, Jordan. An air force general was killed in the fighting around the heliport where several homes of pilots were hit, they said.

Mr. Saddam's special forces

executed Dulaimi air force general, according to residents of Ramadi, the capital of Anbar.

General Mohammed Mazzum Dulaimi was arrested in November for his alleged role in an attempted coup against Mr. Saddam. He was executed in mid-May.

WASHINGTON — Federal investigators pursuing the bombers of the federal building in Oklahoma City believe they have found the widely sought suspect known as "John Doe 2," but they doubt that he had any role in the attack. FBI officials said Wednesday.

After a two-month manhunt, the officials said the man is apparently a soldier from Fort Riley, Kansas, who happened to be at a rental agency at the same time that Timothy J. McVeigh, one of two men charged in the case, rented the truck that investigators say was used to carry the bomb.

The officials said they believed that the soldier, Todd Bunting, was the man identified by a rental agent as John Doe 2, but that they must still resolve a number of questions.

As leads about the elusive John Doe 2 dwindled, officials said, investigators began to question whether he had any connection to the bombing, which killed 167 people.

The officials said investigators now think the bombing was carried out by Mr. McVeigh and an army friend, Terry L. Nichols, who also has been charged in the case.

For investment information

Read the MONEY REPORT every Saturday in the IHT

Elusive 'John Doe 2' Looks Less Like Suspect, FBI Says

Reuters

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GLOBAL/COVER STORY

"It's Over"

Why PEPSI'S ON A DIET • TIME TO SELL TECH STOCKS? • GE: LIFE AFTER JACK
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FORTUNE

THE DEATH OF HONG KONG

A guard peers across the border to China.

Despite the continued rhetoric from Beijing and its loyal retainers, the naked truth about Hong Kong's future can be summed up in two words: It's over. Find out why the city that FORTUNE recently named the "world's best for business" seems destined to become a global backwater. Read the fascinating, no-holds-barred story in the current issue of FORTUNE. On newsstands now.

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International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

G-7: Crash-Avoidance Work

When the heads of the seven big industrial democracies met a year ago, they agreed that the safety mechanisms in the world's financial system, and the crash-avoidance procedures, needed attention. On Thursday they meet again, in Halifax, Nova Scotia, after a year full of instructive disasters. The case of Mexico and its shrunken peso will hang heavily over their discussions.

When the peso fell, Mexico was able to avert even deeper damage only because the United States intervened with a very large loan. At Halifax, the Americans want agreement on future rescue arrangements that do not require them to come up quickly with large amounts of money.

The Clinton administration ran into much more political risk over the Mexican loan than it had expected. It probably could not have brought the operation off successfully for any country less closely interwoven with the United States. Any useful formula for international rescue is going to have to operate through channels less dependent on the special circumstances of the Mexican episode.

The Halifax meeting will probably spend some time lamenting Bosnia. One of the lessons of that tragedy is that the Europeans, rich and well-armed though they have become, are not yet able to work out effective security policy in the

—THE WASHINGTON POST.

Filling Out the Framework

A new nuclear agreement with Communist North Korea? Didn't the United States have one just last fall? Yes and no. In October, Americans and North Koreans negotiated an "agreed framework" for the buying out of the publicly acknowledged part — unfortunately, there is also an unacknowledged, suspected part — of the North's nuclear weapons program. The framework left unresolved, among other items, the matter of South Korea's provision of proliferation-unfriendly reactors to replace North Korea's existing proliferation-friendly reactors.

The new accord fills that gap, but it leaves "quite a list" of issues still to be settled, the U.S. State Department warns. These include the terms on which to ensure safe storage of the spent nuclear fuel rods — currently frozen — that the North has threatened to use to produce weapons-grade plutonium.

The matter of South Korean replacement reactors is crucial. Ever eager to cut the South, the North insisted it would not take South Korean reactors, claiming they were unsafe and second-class and would be used as instruments of subversion. Rightly, the South insisted it had to supply the reactors, since it will be paying most of the \$4 billion bill and

—THE WASHINGTON POST.

A Fugitive in Cuba's Hands

With millions of dollars supposedly saved away from financial swindles and drug deals, Robert Vesco has eluded American law enforcement for 24 years, living in Costa Rica, the Bahamas, and most recently Cuba. Now his luck may have soured. The Cuban authorities have tossed Mr. Vesco in jail and seem ready to bargain with Washington for his return to the United States to stand trial on a variety of charges.

The Clinton administration should take advantage of the chance to gain custody of Mr. Vesco. If the chill between Havana and Washington is reduced in the process, all the better.

Mr. Vesco fled the United States in 1971 with more than \$200 million that the government says he looted from mutual funds. In return for shelter from the U.S. Justice Department, he provided a range of services to the foreign leaders who gave him sanctuary. He lived well in his various hideaways, maintaining lux-

—THE NEW YORK TIMES.

Other Comment

Civility for a Change

It wasn't on a philosophical or rhetorical level with the Lincoln-Douglas debates of 1858, by any means. For those with shorter memories and less elevated expectations it wasn't even the Lloyd Bentsen-Dan Quayle debate of 1988. In fact, it wasn't a debate or anything close to it. But the calm and respectful discussion of a few of the day's major public issues that President Bill Clinton and House Speaker Newt Gingrich held in the New Hampshire town of Claremont was a rare and pleasant reminder that civil discourse between strong political enemies is still possible in America.

No one expected the hour's worth of

—Los Angeles Times.

amity shown by the president and Mr. Gingrich to last, let alone to gain the model over the 17 months of campaigning until the 1996 election. Mr. Clinton and Mr. Gingrich are both dedicated to winning. Mr. Clinton certainly intends to seek re-election. Mr. Gingrich surely would be available as the Republican candidate if he thought he could get the nomination. Absent that, he will continue using the formidable powers of his office to advance his party's fortunes. So Sunday's show of reasonableness, tact and courtesy was something of an anomaly. That was one of the things that distinguished it. The other was how pleased, even grateful, people were for the tone of what they heard.

—Los Angeles Times.

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America and Japan Step to the Brink

By Jim Hoagland

WASHINGTON — Mickey Kantor will wind up as the Marie Antoinette of the Clinton administration if his trade squeeze on Japan's luxury cars fails. "Let them drive Mercedes" is not a phrase the Los Angeles lawyer wants to be remembered by. But he risks that fate if Japan stands firm against his threat to impose trade sanctions June 28.

Slapping 100 percent tariffs on the Lexus and 12 other \$30,000-plus Japanese import models will shift much of the U.S. luxury car market to European suppliers like Mercedes. Shrewd as domestic politics, Mr. Kantor's choice of luxury automobiles as the battlefield with Japan is economically insignificant for the American work force and for the overall U.S. trade imbalance.

Shutting Lexus, Infiniti et al out of the U.S. market disturbs relatively few people. This narrow targeting fits Mr. Clinton's political needs. He must get tough on Japan, placate Detroit and not interfere seriously with the American consumer's God-given right to buy good goods for low prices.

The right to modern consumerism is a central enduring element of the American ethos; politicians tamper with it at their own peril.

But Kantor's choice contains strategic weakness. By condemning only luxury cars to trade purgatory, Mr. Kantor has not aroused the impassioned national

constituency that he needs to prosecute the serious strategic trade struggle with Japan he may have unintentionally triggered.

Mr. Kantor proposed a limited, low-pain "war," a wedge into Japan's overregulated automobile and spare parts networks. But he risks that fate if Japan surprises U.S. trade negotiators by treating the luxury-car ban as an American Pearl Harbor instead of an opportunity to fund compromise.

When President Bill Clinton and his advisers this spring charted their campaign to get Japan to open its markets more rapidly, they quickly discarded two other options. I am told.

One called for restrictions on virtually all Japanese auto imports. The other option was broader and targeted Japan's strong new gains in electronics and other high-tech fields. It threatened to target a large number of nonautomobile imports.

Mr. Clinton approved the surgical strike on luxury cars (their vital competitive element is electronics, not steel, and they are mostly money losers for their manufacturers). The result the Americans expected? The Japanese government would quickly muscle their car companies into an acceptable mix of "voluntary" restraints on exports and an opening up to U.S.-manufactured spare parts at home.

Instead, U.S. officials have de-

HUMBLY and WITHOUT EXCUSE, OVERCOME with REMORSE and in FULL AWARENESS of my MANY FAILINGS, MY INEXPERIENCE, MY LACK of SKILL, MY CLUMSY and INAPPROPRIATE MANNER, MY UNWORTHINESS and SHAMEFUL RUDENESS, with FULL REFLECTION, SELF-EXAMINATION, ASSUMING ALL BLAME and OPPROBRIUM...



tected moves by the government in Tokyo to block compromises the auto industry was willing to accept.

As the impasse deepens, U.S. experts increasingly feel the luxury car dispute marks a turning point for the two countries. But it does not look like the turning point toward a more open and compliant Japan. And these experts are not confident they understand what the long-term consequences of the conflict will be.

No one is saying that in public. The Japanese (like the Americans) want to extract last-minute concessions by being tough and inscrutable. Trying to predict how this will come out is at this point a mug's game. Wait for the results

of a key negotiators' meeting Wednesday before trying.

But it is clear that Washington underestimated both the mood of political insecurity in Tokyo, where a new political system is struggling to be born, and Japan's fierce pride in its role as supplier of "quality," or luxury, to American consumers.

When Japan emerged as a global economic superpower, American savants such as Ezra Vogel said that "quality control" was the secret Japanese trade weapon. American consumers disgusted with shoddy Detroit products came to the same conclusion and began buying from Japan.

Now American "revisionists"

like Chalmers Johnson have replaced the Vogel generation, arguing that it is Japan's essential pimicousness and unfairness on trade that accounts for the giant U.S. trade deficit.

There is some truth to that. There is also a lot of sting in judgment by Americans. The Japanese public seems to be reacting to Mr. Kantor's limited war with broad and deep indignation, giving their politicians incentives to go to the brink. Stopping Tokyo's politicians, and the U.S. team, from stumbling over that brink must become an urgent priority for the president in the days to come.

The Washington Post.

Economic Growth Will Fail Us Unless Our Societies Grow, Too

By Jean-Claude Paye

The writer is secretary-general of the Organization for Economic Cooperation and Development.

are vitally linked. The information age brings prospects for expanded economic development for all parts of the world. It brings vast opportunity, at least to those who can face up to ever-fiercer competition. But that economic advantage can be pressed only if a society supports it.

Lasting economic growth is built on productivity, which depends on innovation, the ability to adjust, to restructure and to streamline — all of which involve people.

People need to acquire new skills, find new jobs, be flexible and mobile. Society needs to be cohesive and adaptive.

The human mind is our greatest hope for more security and a better standard of living. It is a powerful engine for progress. It can be an equally powerful brake.

The struggle of constantly sharpening the leading edge can be painful. The countries of the Organization for Economic

Cooperation and Development face intensifying competition from around the world. This difficult and unequal adjustment has shown doubt and eroded confidence in our postindustrial societies. There is some skepticism as to whether economies will get richer and the riches will be shared fairly by all. Individual disenchantment could lead to political pressure to slow the process of change, to erect dikes against the rising tide of competition and to keep our foreign goods, services and people. It happened in the '30s; it could happen today.

So leaders worried about their economies need to focus on society's fraying fabric. If the warp of societal well-being is economic growth, the weft is people who embrace and anticipate momentous change.

People need to be equipped with skills for tomorrow's jobs and to be helped through difficult straits. Entrepreneurial spirit must be stimulated by the freedom that allows initiative to be rewarded. Safety nets — like unemployment and welfare benefits — must be redesigned to offer insurance against mishaps but also to spur

adjustment to new environments. And crucially, we must better understand the complex implications of societal change: aging populations, changing family patterns, evolving value systems, new forms for the structures that bind societies such as education systems or trade unions.

It will take vigor, inventiveness and commitment to suppress resentment and disillusionment. Failure to focus on the problems of society would endanger the very globalization that offers our future common prosperity, and would threaten the political stability of our countries.

OECD ministers have addressed this lock-step of economic and social progress. More than ever, we need to reshape our approach to economic analysis to incorporate the critical impact of societal evolution. International financial and economic organizations, however they evolve, must reflect that restructuring, G-7 leaders will serve many, far beyond their own countries, in focusing on the vital role societies play in bolstering economies.

International Herald Tribune.

When the People Say Enough Is Enough'

By Thomas L. Friedman

BELFAST, Northern Ireland — There is an old joke here about a tourist who is walking in a no-man's-land between Protestant and Catholic neighborhoods when he is suddenly grabbed by a masked man who asks him: "Are you a Protestant or a Catholic?" The tourist answers: "I'm a Jew." And the man asks him: "Well, are you a Protestant Jew or a Catholic Jew?"

The joke was meant to underscore just how deeply Protestants and Catholics had divided their world into two. No matter who you were, you had to be on one side of the line or the other.

I can't help but contrast the Northern Ireland problem with the Arab-Israeli problem. The Arabs and Israelis could only settle their conflict once they drew lines to clearly divide their space. The Protestants and Catholics are going to settle their conflict only once they start blurring the lines that already divide them. There is no room for a territorial solution here. The Northern Irish are doomed to live together.

That is why the only solution is some variation of the London-Dublin accord worked out in February, under which Catholics would have to settle for blurry links to the Irish Republic and Protestants blurry links to Britain, and they would both have to accept a blurry power-sharing arrangement, in which neither side would have the upper hand.

What struck me here was how many powerful forces are at work blurring the dividing lines between the two communities, creating a basis for a necessarily ambiguous, illogical compromise.

To begin with, the IRA cease-fire is now 10 months old. Every day that it continues makes it harder for the combatants to restart their 25-year-old street war.

Too many Protestants and Catholics are now enjoying no longer having checkpoints around every corner. Too many are enjoying the fact that the daily bomb scares have been replaced by a "buzz" in the business community from all the foreigners poking around here for investments. And too many are enjoying reading that the air fares to and from Belfast could be cut by 10 percent if the government approves plans to scale down the number of body searches required for each flight.

There are longer-term forces at work as well. Northern Ireland is part of the European Union. Young people here, particularly Catholics, are increasingly working in Europe and seeing themselves as Europeans as well as Catholics or Protestants. They now have a larger identity to mold into. More important, the last decade has seen the birth of a wide and deep Catholic middle class, which has prompted many to leave the ethnic ghettos for more affluent mixed neighborhoods. Belfast has more BMWs per capita than any city in the United Kingdom.

A cease-fire that lasts for a week is just a time-out. A cease-fire that lasts for almost a year is a new way of life, and that is where Belfast is headed. Something here is over.

I took off a morning last week to play golf at Royal County Down, probably the greatest seaside links in the world, just south of Belfast. I was paired with two friends: Stearns, a Catholic, and Gordon, a Protestant. As a gentle breeze blew in off the Irish Sea, they spoke words I had heard before.

They were the words I heard in Beirut and Jerusalem at that critical moment when the people in those cities decided that the war was over — that they preferred the blurry lines of compromise to the sharp lines of conflict, that they didn't know what the future settlement would be, but they knew they weren't going back.

"The troubles won't start up again," said Stearns. "I don't know what it will look like, but the compromise is coming. No one wants to go back to living on a knife's edge. The people have spoken, and they've said: 'Enough is enough.'"

The New York Times.

For a Common, Not Single, Currency

By William Pfaff

argument also is made that individual American states are rich or poor, depressed or booming, yet a single currency serves. But the individual American states are not sovereign, and only Washington is answerable to the electorate in economic matters.

It seems to me that a single nonexclusive European currency is the realistic option. The European Commission green paper foresees a staged transition toward a single currency, during which its use would be made "compulsory," "encouraged," "optional" or "excluded," depending on the banking or financial sector.

Today it seems politically incorrect (as we Americans now say) for supporters of European integration to concede that at least in the mid-term future a single currency may neither be realizable nor perhaps even a desirable element in that integration.

The single currency has been proclaimed essential to Europe's future, and to question it is held weakness or betrayal of the European ideal. Yet its real purpose is to keep Germany from setting Europe's interest rates according to Germany's national needs. If that were admitted, a better way might be found to accomplish the goal.

International Herald Tribune.
Los Angeles Times Syndicate

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Dark and Stuffy

LONDON — In the House of Commons last night [June 14], amid laughter, derisive cheering and cries of "Are you going to the country?" the Government sustained a defeat

OPINION/LETTERS

If Work Is Going to End, Better Get Busy About It

By William Raspberry

WAshington — Jeremy Rifkin, in his new book, "The End of Work," does a fine job of telling us what we already know (at least dimly) but have been reluctant to face up to: that it is no longer necessary for everybody to work to produce the things we need, and that that simple fact changes everything.

It no longer makes sense to look to open-ended economic growth as the main solution to social ills, because if it no longer makes sense to think of full employment as an achievable (or even desirable) goal. But if full employment is not a sensible pursuit — and if leisure, as a result, becomes fully respectable — will we have to rely on workaholics to produce the goods and services we will still need for our survival? And if it is no longer necessary for most of us to work, by what means will we distribute society's goods? You won't agree with all of Mr. Rifkin's answers, but you're likely to agree that he poses questions that we have spent too little time thinking about.

"Technology has given us tremendous productivity gains," he said in a recent interview, "but the profits from those gains have been very narrowly distributed." So narrowly distributed, in fact, as to threaten the entire structure. For while robotics and other such advances make it possible for companies to produce more goods while hiring fewer workers, the unavoidable question is: Who buys those goods, and with what?

What we need, says Mr. Rifkin, is a full-fledged debate on how to share the productivity gains. His own idea is fairly straightforward: reducing the workweek as productivity improves.

"For people who are still needed in the market economy, the productivity payoff would be a reduced workweek — say a reduction, over time, to 30 hours. That is coming. It already has started in Europe, and it has the potential of being a very good thing for working parents."

"Imagine a six/six arrangement — parents working the six hours their kids are in school, and then being home with them afterwards. It would also provide more time for the things people say they want to do — everything from volunteer work to recreation."

But wouldn't spreading the same productivity among more workers increase employer costs and reduce employee income? Not necessarily, says Mr. Rifkin, president of the Washington-based Foundation on Economic Trends.

"Hewlett-Packard in Grenoble, France, and BMW in Germany have

said they are going from a 37-hour week to 31 hours, and still pay workers for 37. But there's a catch. The workers will have to agree to accept shift work. That means the employers can keep their expensive technology operating on a 24-hour, 7-day basis. That increases productivity and at the same time spreads the benefits."

Such an arrangement, he believes, could also provide a big boost to the "third sector" — the not-for-profit companion of government and industry. "I think we need this third sector more than is generally realized," Mr. Rifkin says. "Without it, the other two sectors can't function because there won't be enough trust and relationships between people to make for a civil society."

It is easy enough to imagine the good that would flow from revitalized third sector community-centered activities, "from social services to health care, education and research, the arts, religion and advocacy ... organizations [to] assist the elderly and handicapped, the mentally ill, disadvantaged youth, the homeless and indigent" — all the things we say we haven't the money to handle now.

What is hard to figure out is who will pay for it. Mr. Rifkin's answers are the least convincing of his fascinating discussion. Essentially, the bill for his utopia would be paid for by a combination of savings from existing government programs, "shadow wages" and a "social wage." The first reminds me of the "peace dividend" anti-war activists used to budget with such enthusiasm. Savings from voluntary social services are likely to prove elusive.

Shadow wages would amount to tax deductions for people who don't have time to volunteer activities — a worthwhile idea but prospectively a costly one; the deductions would translate into diminished revenues for other government purposes.

Mr. Rifkin seems most hopeful about his "social wage" — essentially the old idea of substituting paid community service for welfare, which he would improve by making the service jobs competitive and allowing for pay increases for outstanding performers. He thinks such a scheme would build community by "forging new bonds of trust and a sense of shared commitment to the welfare of others."

Like the Depression-era CCC camps or WPA jobs perhaps?

Still Mr. Rifkin's basic question has to be addressed: If it is no longer necessary for all of us to work to produce the things we need, what do we do with the rest of us?

Washington Post Writers Group.



LETTERS TO THE EDITOR

A Troublesome Visit

Regarding "U.S. Visit Fits the Realities of Taiwan" (Opinion, June 10) by Michael Y.M. Kau:

Mr. Kau writes that Beijing would not let the U.S. visit of President Lee Teng-hui damage Chinese-American relations because "Beijing knows very well that the viability of its 'reform and opening' policy requires a peaceful international environment and U.S. cooperation."

With the impending death of Deng Xiaoping, the People's Republic of China is already in the throes of power struggle, some parties to which care little for the "reform and opening policy." The inevitable that official party organs have leveled against the United States recently goes far beyond anything seen in some time.

Whatever the outcome of this clash between the two countries, Mr. Lee's visit is just the latest in a series of missteps, including the sale of F-16s to Taiwan, in which the United States has squandered its political capital with Beijing.

Mr. Kau asks what Beijing could do to retaliate against the United States for issuing Mr. Lee a visa.

Beijing could withdraw all support for the diplomatic solution to the North Korean nuclear crisis, sell nuclear technology in violation of the Nuclear Nonproliferation Treaty, use its UN Security Council veto against U.S. interests, exclude American companies from lucrative infrastructure projects, and relax emigration controls, thereby increasing the flood of illegal Chinese immigrants to U.S. shores.

While Taiwan has certainly become an economic contender, it can hardly be considered central to U.S. security and economic interests. China, on the other hand, is destined to be the next superpower.

How China behaves in the international arena will be determined by who takes up the reins after Mr. Deng's death. The United States is the only outside power that has much hope of bringing influence to bear to ensure a smooth transition of power in China. By forcing President Bill Clinton's hand on Mr.

Lee's visit, the U.S. Congress has wasted that influence needlessly.

JONATHAN BRODY.

Taipei.

Healing Discrimination

Regarding "To Remedy Discrimination" (Opinion, June 5)

How can anybody believe that society's discrimination can be healed by implementing government-sponsored discrimination?

After 30 years of the affirmative action placebo, people are finally seeing that the only true remedy is to end discrimination of all types.

ERIK SCHUMICK.

Amsterdam.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

MELBOURNE — In mid-June 1945, while the battle for Okinawa was grinding to an end, leaving more than a quarter of a million dead on both sides, the planners in Washington and Tokyo were preparing for the next round: the invasion of Japan itself.

Operation Olympic — the planned invasion of Kyushu, the southernmost of the Japanese home islands — had been tentatively set for Nov. 1. But as late as May 25, Admiral

Presented with these conflicting opinions, President Harry Truman had doubts. On June 14, he summoned the Joint Chiefs of Staff to the White House. They were advised to come four days later, armed with information on the number of American soldiers and ships needed to defeat Japan. An estimate of the time required, and of the casualties that would result from an invasion.

The U.S. joint war plans committee thought that 14 divisions — 11 army and 3 marines — would be needed to overrun southern Kyushu. Casualties might run to 132,000, with 25,000 killed.

At the White House meeting, General George Marshall, the chief of army staff, read the digest of the memorandum approving Operation Olympic. When it came to casualties, he said, "it is a grim fact that there is no easy, bloodless way to victory in war, and it is the thankless task of the leaders to maintain their firm outward front ... Any irresolution in the leaders may result in costly weakening and indecision in the subordinates."

Only Henry Stimson, the secretary of war, who had been involved from the beginning with plans to produce the atomic bomb and bacteriological weapons, expressed some qualified doubt when he hoped "for some fruitful accomplishment through other means."

As more and better intelligence flowed in, however, it became apparent that even the highest U.S. casualty estimates were likely to prove much too low.

Some reports suggested that the figures tossed around at the White House on June 18 might be surpassed in a single day.

In the final year of the war, Japanese intelligence correctly anticipated American offensive plans. It predicted the invasions of Saipan, Guam and Tinian and assumed correctly that Iwo Jima would be next and that Okinawa and then southern Kyushu would follow.

Japanese intelligence even named the beaches where the U.S. forces would come ashore. Southern Kyushu was given the highest priority by military planners. New divisions were brought in from Manchuria, Hokkaido and Houshou. Instead of 3 army divisions, the Americans would have to face 14, about 12,000 kamikaze planes and a fleet of naval suicide craft.

The Pacific war had its tally of horrors. The atomic bomb was one of them. But its use almost certainly avoided another.

MacArthur, often contemptuous of intelligence, replied that the Japanese air potential was greatly exaggerated: "We have recently seen the 3d Fleet approach the southern and central coastline of Japan close enough for gunfire bombardment, and yet no reaction from the air has taken place. Our air forces are daily flying throughout Japan and provoke no reaction ... In my opinion, there should not be the slightest thought of changing the Olympic operation."

What he did not know was that the disappearance of the kamikaze planes, as the U.S. 3d Fleet ranged down the coast of Japan and American B-29s firebombed the cities, was a matter of policy. The kamikazes were being saved for the critical battle of southern Kyushu.

The U.S. 6th Army planned to use eight divisions in the initial assault, one to secure the offshore islands and seven in the attack on Kyushu. American forces would have been opposed by six static Japanese divisions, two independent mixed brigades, the equivalent of two tank brigades, and miscellaneous fortress and naval troops deployed in the vicinity of the landing beaches. In addition, three mobile Japanese reserve divisions were positioned to intervene in the fighting for the initial beachheads.

In the Okinawa campaign, the United States had the conventional 3-to-1 superiority in numbers. In the invasion of Kyushu, American troops would have been outnumbered 8 to 5. No doubt the Americans would have prevailed. But they would have had to call in extra divisions earmarked for the invasion of the Tokyo plain. The cost in lives would have been enormous. And the United States would most probably have resorted to use of poison gas to hasten an end to resistance.

The Allies had avoided using gas during the war, but it was seriously considered during planning for Operation Olympic. Brigadier General William Borden, director of the New Development Division of the U.S. War Department, discussed the use of gas in the numerous caves that American forces expected to encounter in the invasion of Kyushu. He said it would be effective when fired directly into the mouths of the caves. If gas was to be used, the U.S. Navy had planned that it would make up about 20 percent of the air bombardment.

The Pacific war had its tally of horrors. The atomic bomb was one of them. But its use almost certainly avoided another.

The writer, who covered the war in the Pacific for Australian and British newspapers, contributed this comment to the International Herald Tribune.



CASE HISTORY #12: SITHE ENERGIES' INDEPENDENCE STATION, SCRIBA, NEW YORK.

WORKS IN PROGRESS



We brought together 1,300 construction workers, 120 engineers and designers, almost 3,700 tons of steel, and nearly two million feet of cable.

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All for some television and home cooking.

came to us. Even before we began design and construction, our proven reputation and experience on turnkey projects were major factors in Sithe Energies' ability to secure financing. And within just two years, they had their Independence Station in upstate New York.

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- Government Services

INTERNATIONAL

Israeli Troops Kill 3 Palestinians PLO Guards Were Aiding Fugitive Enter Gaza

Compiled by Our Staff From Dispatches

GAZA — Israeli troops shot and killed two members of Yasser Arafat's elite Force 17 guard unit Wednesday along with a Palestinian fugitive who were helping sneak across the Egyptian border into self-ruled Gaza, Palestinian security sources said.

The fugitive, wanted by Israel for attacking soldiers, was trying to sneak from Egypt into Gaza when he was spotted by Israeli troops, the army said.

Soldiers opened fire and killed the man, identified as Darwish Abu Khatla. He was a leader in Gaza of the Fatah Hawks, a group of vigilante gunmen loyal to Mr. Arafat, the chairman of the Palestine Liberation Organization.

Palestinian sources said two Force 17 members, Abdell Nasser Salah and Hassan Abu Thuraia, were waiting for Mr. Abu Khatla on the Gaza side of the Rafah crossing when the shots erupted.

The sources said the two Force 17 men were also shot and killed by Israeli troops.

The Palestinian Authority general secretary, Tayeb Abdel-Rahim, said the two Force 17 members worked at the Rafah crossing point and were not personal bodyguards to Mr. Arafat.

Mr. Arafat's press adviser put distance between the self-rule Palestinian Authority and the infiltration attempt at the Rafah border area, which is controlled by Israel under the terms of its 1993 peace deal with the PLO.

"This is an irresponsible act, and the Palestinian Authority is not linked in any way to the incident in Rafah," said the press adviser, Nabil Abu Rdainah.

He said the PLO hoped the shootings would not affect ongoing peace talks with Israel on expanding self-rule.

"Initial reports suggest that the persons involved were not intending to carry out any violent attack against anybody," said Marwan Karanfani, a spokesman for Mr. Arafat.

Mr. Abdell-Rahim said Mr. Arafat had ordered an investigation of the incident.

The army said soldiers spotted armed men in the vicinity of Rafah at the time of the first shooting and opened fire after the men ignored calls to halt. Two men were killed by the soldiers in the second incident, the army said.

The Arafat spokesman, Mr. Abu Rdainah, said the two Force 17 men had acted on their own. "We have no connection to the incident," he said.

(Reuters, AP)



AP/Wide World

HALIFAX: Squabbles Threaten to Sidetrack G-7

Continued from Page 1

official remarked recently. An aide to President Bill Clinton acknowledged Wednesday that the G-7 was indeed akin to a divided boardroom.

"There are disputes," he said, "and it's too bad that they are there."

The official, who spoke on condition of anonymity, said he had been struck "by the sense that none of us have really learned how to work and deal in a post-Cold War world."

"In the past, these kinds of differences were more muted and subordinated. Now they jump out."

Ten years ago, the U.S. official added, "it would not have been in Germany's interest to take side shots at us over Mexico. And we'd all be better off if we concentrated on what we can do together. But we don't."

The official defended the G-7 summit process as "valuable because it forces the leaders to contend with issues and with each other." He and other G-7 officials said they hoped that differences over currency markets or trade would not be visible by Saturday, when the summiteers leave this cheerful little Canadian harbor town.

Yet the U.S.-Japan conflict could worsen just days after the Halifax meeting ends. No progress was made on the issue last Monday during technical-level

talks held at the World Trade Organization in Geneva.

On Wednesday, in a statement released in Washington, Mickey Kantor, the U.S. trade representative, said that his deputy would meet a Japanese trade official in Geneva on June 22 and 23 for further talks "without preconditions or limitations." (Page 13)

Mr. Kantor was jubilant as he claimed that Japan was no longer insisting that Washington drop its threat of sanctions or its desire for numerical targets before resuming negotiations on autos and auto parts. He termed Japan's willingness to hold the new talks "helpful," but also warned that trade sanctions would be imposed June 28 if Tokyo did not make concessions.

The arrival Friday of President Boris N. Yeltsin of Russia may thus prove something of a distraction to the G-7 leaders as they turn their attention from economic to political matters, informally renaming themselves the "P-8" for the occasion (the P stands for political).

Officials here say that when the meeting is over there will be, as a leaked copy of the draft communiqué has made clear, a plan to urge the International Monetary Fund to strengthen its financial resources and surveillance of Third World countries to prevent another Mexico-style financial crisis.

As a result, two issues that divide the G-7 — the strength of the Japanese yen against the dollar and the state of currency markets — are not expected to get more than a passing mention here.

Also making the G-7 leaders

uneasy is that global economic prospects are decidedly less auspicious than when they last met a year ago.

In the United States, it is not yet clear whether there will be a brief recession or merely a period of negligible growth — perhaps less than 1 percent — for four to six months.

Japan is facing what looks like an increasingly serious banking crisis, and its equity market is reflecting the nervousness.

The German economy, and that of France to some extent, is evidently more sluggish than should be the case at this stage in the recovery cycle, due in part to the strength of the Deutsche mark, which is affecting export competitiveness.

On Thursday, before the official start of the summit meeting, Mr. Clinton and Prime Minister Tomiochi Murayama of Japan will meet, and they almost certainly will discuss the trade dispute. But aides to both leaders insist that Halifax is not the right venue for bilateral talks on the subject.

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Also making the G-7 leaders

worry is that the new talks will be private in a formal sense, because the Japanese government has been hesitant to pay official compensation to foreign victims of its army's misconduct during the war. However, the fund will be subsidized with public money, and officials are also expected

to lean on corporations to encourage private donations.

The fund, called the "Asian Peace and Friendship Foundation for Women," will support medical and social welfare projects for the former sex slaves. It is expected to pay a modest sum to the women, as well as cover their medical expenses, and also underwrite other projects to raise the general status of women in Asia.

Congress Rebukes Clinton on Peacekeepers

By Barbara Crossette
New York Times Service

Harold Rogers, of the Appropriations subcommittee on commerce, justice, state, and the judiciary — told Mr. Christopher that they were "dumbfounded" to learn that the administration was preparing to commit the United States to support of an operation that could cost \$520 million a year.

Under the draft resolution now before the council, which the British and French had hoped to see enacted on Tuesday or Wednesday, the rapid response force being assembled by Britain, France and the Netherlands would be paid for by the United Nations through assessments. Washington is assessed 31 percent of the cost of operations.

The resolution is needed to spell out the mandate of new "rapid response" forces the Europeans are sending to Bosnia.

Apparently aware of the exploding resentment, American diplomats unexpectedly told the council this week that the administration needed time for consultations with Congress.

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"Our goal is to support the rapid response force and Unprof," an American official said here, referring to the UN Protection Force in Bosnia.

France's new president, Jacques Chirac, visited Washington on Wednesday for talks with President Bill Clinton, and is due at the United Nations on Thursday for a meeting with Secretary-General Boutros Ghali.

REUTERS

BRUSSELS — NATO, racing against the Bosnian time bomb, set itself a deadline Wednesday of a few weeks to finalize plans for a pullout of thousands of UN peacekeepers from the former Yugoslavia if their mission failed.

The alliance's council of ambassadors, its policy-making arm, was unable to reach final agreement in a number of key areas, sources said.

shape just east of Buci, a village that looks over Bosnian Serb positions on a strategic hill south of Visoko.

Colonel Redburn said the United Nations had gathered only sketchy details on the buildup because the Bosnian Army began denying its peacekeepers access to front-line areas near Visoko and Breza about a month ago and had forced them to vacate two observation posts on Cemerska Mountain.

"They'd been asking us for a month to get out of there," he said, referring to the second post, which was abandoned earlier this week. "We resisted until we were targeted with nine rounds of mortar fire."

Five other UN observation posts on the Bosnian Serbian side of the front line near Visoko were emptied when the rebels seized the peacekeepers there as hostages after NATO warplanes blasted a Serbian ammunition dump last month, he added.

Eleven Canadian soldiers are among the 26 UN peacekeepers still unaccounted for, Colonel Redburn said.

He said the Canadians had been given freedom of movement in Ilijas, a town just opposite the front line near Visoko, but had not been released despite a pledge earlier this week to do so by leaders of the Bosnian Serbs.

"I would consider them human shields," Colonel Redburn said. "They are the only ones over there who can witness any action on the Serb side."

He said that his troops had spotted Bosnian soldiers being transported through the area in buses but that the bulk of the deployment had taken place in cargo-topped trucks with the tailgate flaps tied down.

"Where those trucks stop, we don't know," he said. "The bulk of the movement is taking place at night."

Citing the openness of the troop buildup, a UN military officer who asked to remain unnamed said the Bosnian Army could be bluffing to pressure the United Nations and Western powers to take effective action to lift the rebel Serbs' blockade of Sarajevo.

The Bosnian Army, which is now more than 90 percent Muslim, has apparently garnered the cooperation of Bosnian Croat allies for whatever operation it has planned in the Breza-Visoko area. Cooperation of the Croatian militia in the nearby enclave of Kiseljak has long been seen as crucial to any Bosnian Army bid to liberate Sarajevo.

Officials of the militia refused to comment on the buildup Wednesday afternoon.

One militia truck carrying a mortar moved along Kiseljak's main street, and residents said a mobilization of Bosnian Croatian fighters had been underway for about three weeks.

CHEW: A Messy Vice

Continued from Page 1

Burma, Daw Aung San Suu Kyi has been under house arrest here since 1989. She won the Nobel Peace Prize in 1991.

"This is crazy," said a Western diplomat here shaking his head when discussing the ban on betel. "People have few enough pleasures in a country like this. You'd think that the generals would understand that it's in their best interest to keep the people slightly anesthetized."

Betel chewers say that the nut, which grows on arca palm trees and is served in sheets rolled up in a leaf dabbed with pulverized lime to cut the acidity, produces a sense of mild euphoria.

The practice of chewing betel dates back to the start of recorded history in Asia. And while betel chewed by hundreds of millions of people as far away as Africa and Australia, in Burma it has always enjoyed a special significance.

For many Burmese, betel chewing is considered a prelude to romance, and, in earlier times, a young Burmese woman made clear her choice of a husband by offering him a carefully wrapped wad of betel. In Burmese tradition, a dying man must always be given a last chew of betel as a final earthly pleasure.

One dedicated betel chewer in Rangoon used his sleeve to wipe away the last of the red juice from his lips.

"It is a little like the feeling of alcohol," said the 50-year-old merchant, explaining that he had begun making monthly trips out of the capital to buy his supplies of the outlawed nut.

FRANCE: West Sees Test Ban Treaty as Major Goal

Confirmed from Page 1
of its nuclear deterrent as a supreme national interest that "comes above every other consideration, including those of a diplomatic nature."

The bottom line for France and its allies, diplomats said, is a view that nuclear deterrence remains the linchpin of a credible Western defense posture.

Other nuclear powers, including the United States and Britain, do not want to set a precedent of undermining national sovereignty on such issues. France's big neighbors, Germany in particular, see the French capability as part of their security.

"None of the nuclear powers is ready to dispense with nuclear deterrence as a weapon of last resort, so none of us really blames France for wanting to be sure it can continue modernizing its arsenal," one of these sources said.

The only condemnation came from governments in some small European countries, including Belgium and Denmark, and from Russia, which can no longer afford to modernize its own nuclear arsenal.

Most Western governments welcomed Mr. Chirac's announcement because it committed France firmly to a halt in testing next year. They accepted the official explanation that the last eight tests will enable French scientists to shift their testing programs into laboratories, where computers and lasers are used to simulate nuclear explosions.

Although the State Department expressed re-

gret, U.S. officials dismissed suggestions that it might be a source of contention for Mr. Chirac when he meets other world leaders at summit talks this week of the major industrial nations.

European scientists, who have visited the South Pacific test site with colleagues from Australia and New Zealand, maintain that they found no evidence of radioactive fallout or environmental damage from previous underground tests.

The purpose of the eight tests, to be conducted between next September and May 1996, before the planned treaty signing, the officials said, is to enable France to get the data it needs to calibrate simulated explosions.

This program, to be located in a laser facility under construction near Bordeaux, will be reliable only if France's current warheads, for nuclear submarines and long-range missiles delivered by planes, are tested now to provide benchmarks.

French officials have denied that the tests will be used to develop new weapons, including smaller warheads that French forces might use in contingencies short of all-out nuclear war.

Nuclear independence has always been a touchstone of Gaullism, so allied governments are loath to risk offending Mr. Chirac in this domain so soon after he has taken office and at a juncture where they are hoping for French cooperation on a range of security issues, including changes in the North Atlantic Treaty Organization.

ASIA: Pacific Nations Are Angered by French Decision

Confirmed from Page 1
yield explosions of under half a kiloton. If that was accepted, he said, the comprehensive test ban treaty would "effectively be scuttled."

Japan, the only country to suffer a nuclear attack, is bitterly opposed to nuclear testing and regards China's growing arsenal of such weapons as a threat to its national security.

Last month, Japan for the first time took punitive measures against China for detonating a nuclear bomb, cutting aid grants to Beijing, a move more symbolic than substantial.

The freezing by Australia and New Zealand of the limited defense cooperation they have with France was also symbolic.

But analysts said that the move indicated how strongly most countries in the region feel about

nuclear testing. It is both unnecessary and unsafe.

Gareth Evans, the Australian foreign minister, said in Tokyo that Mr. Chirac's decision was deplorable and would "undermine the respect and credibility that France has been rebuilding for itself in the South Pacific."

And Don McKinnon, the New Zealand foreign minister, accused Paris of "Napoleonic

arrogance."

Meanwhile, in Paris on Wednesday, Mr. de Charleze called such reaction entirely predictable.

He said that the prospect of a final halt to French testing in May 1996 and the closure of the test site in the South Pacific in time to conclude a test ban treaty "is the essential response to the questions raised."

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HEALTH/SCIENCE

Evoking Fears
To Find How
The Brain Works

By Daniel Goleman

New York Times Service

NEW YORK — It was an odd request. The woman, a patient with obsessive-compulsive disorder, was asked to bring two towels from home to a brain imaging laboratory at Massachusetts General Hospital in Boston. One towel was freshly laundered; the other she had used when she washed her hands after going to the bathroom.

For the woman, that used towel was an object of horror and dread. If she held it in her hand, it would trigger an overwhelming train of obsessions about contamination and germs, and an almost unbearable urge to wash immediately that if not acted on would set off a state of high anxiety. But despite her loathing, the woman held the soiled towel as she lay still inside the tube of a PET scanner.

The woman was one of several dozen patients with a range of psychiatric problems who, in the interest of science, have volunteered to have their worst symptoms provoked while images are made of their brains.

The goal: to capture an image of the perturbations of their brains while they wrestle with their obsessions and compulsions.

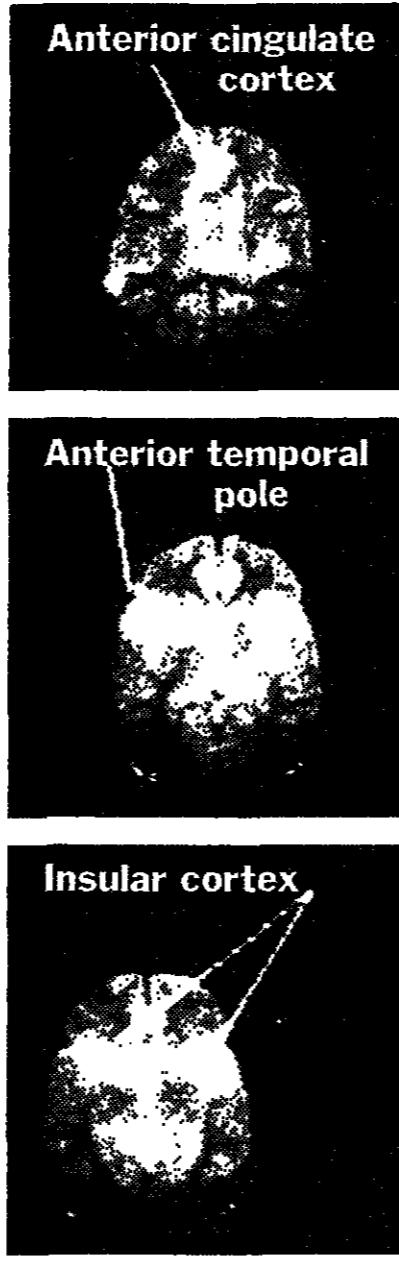
The approach is adding a new level of detail to psychiatry's understanding of what goes wrong in the brains of patients when symptoms as diverse as post-traumatic stress, obsessions, phobias and delusions have them in their grip.

"This approach lets us see the brain circuitry that presumably is involved in the symptoms themselves," said Dr. Scott Rauch, a psychiatrist at Harvard University Medical School who conducted the study of the woman with obsessive-compulsive disorder.

Dr. Daniel Weinberger, of the National Institute of Mental Health, said: "It's a long-standing mystery exactly what systems of the brain are active during psychiatric symptoms. If you take a brain scan of a psychiatric patient who is not having symptoms at the time, you don't know if what you see is related to the disorder. But if you evoke the symptoms, you are much surer that what you see physiologically bears a relationship."

Brain
Signatures
Of
Psychiatric
Reactions

Six patients with phobias about various animals showed characteristic brain activity when exposed to the objects of their phobias. At right, the composite data on their brain activity is shown in three panels, each a horizontal section through the brain at successively lower levels a few millimeters apart, just below the middle of the brain. The background represents an MRI of the brain structure. In PET scans of brain blood flow, the patients tested showed significantly greater activity, represented by bright spots, when faced with the objects of their phobias than when represented with a neutral control stimulus.



Sighting of Brown Dwarf Reported

By John Noble Wilford

New York Times Service

PITTSBURGH — In the first major discovery by the new Keck Observatory in Hawaii, the world's most powerful telescope, astronomers reported what they said was the first confirmed sighting of a brown dwarf, one of those elusive theorized objects bigger than a planet but not quite a star.

So small and dim are the supposed brown dwarfs against the dark background of space that the search for them has taken astronomers to the limits of their telescopes' observing capabilities. Several brown-dwarf candidates have been reported in recent years, only to be eliminated by subsequent research.

But with the 400-inch (1,000-centimeter) Keck telescope, capable of seeing objects one-fourth as bright as anything detectable by the 200-inch telescope on Mount Palomar in California, and with a new search strategy, astronomers think they are now able to prove the existence of brown dwarfs, understand their characteristics and perhaps determine eventually how much of the so-called missing mass in the universe they could account for.

A team of astronomers from the University of California at Berkeley and San Francisco State University identified a faint low-mass object in the Pleiades star cluster, the familiar "Seven Sisters," as a brown dwarf based on an analysis of the chemical element lithium in its atmosphere. The fact that lithium is still detectable indicates that little if any hydrogen burning is taking place inside the object.

A star by definition is a massive sphere of dense gas glowing from the thermonu-

clear fusion of hydrogen, a process that would quickly destroy all the original lithium in small stars and virtually all in larger stars like the Sun. The smaller a star or a low-mass substellar object like the theorized brown dwarf, the cooler is its center, and the longer it takes to destroy lithium.

The team leader, Dr. Gibor Basri, a Berkeley astronomer, justified the claim that this was "confirmed sighting of a brown dwarf" on the ground that the object is not only extremely dim, in the nature of brown dwarfs, but also "it has not destroyed lithium in its center."

The observations were reported here at a meeting of the American Astronomical Society. The other team members are Dr. Geoffrey W. Marcy of San Francisco State University and Dr. James R. Graham, also of Berkeley.

"This is a tremendously exciting result," said Dr. James Liebert, an astronomer at the University of Arizona at Tucson who is an authority on brown dwarfs and other dim, cool stellar objects.

BUT he said the many implications of the discovery were not yet clear, and he stopped short of agreeing with the interpretation that this was indeed a confirmed brown dwarf. Because the new findings appeared to show a greater age for stars and the possible brown dwarf in the Pleiades than had been estimated, Dr. Liebert suggested that the object in question could be a small star with low hydrogen fusion that had not yet consumed all its original lithium. In that case, he said, the object was not a brown dwarf now, but might become one when its fusion furnace finally cooled off, in perhaps another billion years.

The Pleiades, which had been thought to

be 76 million years old, now appeared to be 115 million years old, the California team reported on the basis of the new observations. Stars get fainter with time, and so to have its luminosity at the greater age, the reported brown dwarf must have a higher mass than approaches the boundary between low-mass objects of the brown dwarf class and the lowest-mass true stars.

Responding to these comments, Dr. Basri affirmed, "Either age, it's a brown dwarf." But he and his colleagues acknowledged that if the Pleiades cluster is younger than the new estimate, then the identification of the brown dwarf becomes more compelling because it would presumably have an even lower mass.

Dr. Liebert said it was "absolutely crucial to find other fainter ones" and determine that they also display a clear lithium signature. Dr. Basri said that was the next step in the team's research. "A couple of new candidates" have already been detected and are being studied, he said.

If they turn out to be fainter and smaller and have lithium, Dr. Liebert said this would be a more clear-cut result showing that brown dwarfs had at last been discovered.

The object thought to be a brown dwarf, designated PPL 15, was first detected at Palomar Observatory in 1989 by Dr. John Stauffer, an astronomer at the Harvard-Smithsonian Center for Astrophysics in Cambridge, Massachusetts. Nothing definitive could be said about it until it was examined in visible and infrared light by the Keck telescope on Mauna Kea in Hawaii, which began full operation last year. By breaking up the object's faint light with a high-resolution spectrograph, astronomers found the critical signature of lithium, which they consider the most direct method available for identifying brown dwarfs.

Asteroid With a Past: A Close-Up

By William J. Broad

New York Times Service

NEW YORK — Probing the heavens with a big radar system, scientists at the Jet Propulsion Laboratory in Pasadena, California, have captured the image of the asteroid Geographos as it recently sped close to Earth. It turns out to be a cigar-shaped rock about three

miles (4.8 kilometers) long, the most elongated object known in the solar system.

Asteroids are usually seen only as distant points of light, even in powerful telescopes.

The radar picture of Geographos joins a small gallery of images, including those of the asteroids Gaspra and Toutatis, that are collectively giving scientists their first close-up glimpses of these rocky masses

that constantly hurtle through the solar system.

Some of the asteroids, including Geographos, have orbits that occasionally cross Earth's, thus threatening the planet with the possibility of cosmic bombardment.

The images are revealing shapes and sizes suggestive of long and cataclysmic histories.

"This object has a very unusual shape," Steven J. Ostro, a

senior scientist at the laboratory, and 11 colleagues wrote in the journal *Nature*.

Geographos was discovered in 1951 by scientists at the Palomar Observatory near San Diego. In 1969, it passed close to Earth and showed greater variations in brightness than any other asteroid. Scientists speculated that it was quite long, with its rotations causing changes in its illumination by sunlight.

Last year, when Geographos again passed close to Earth, astronomers at the Jet Propulsion Laboratory used a new radar system at the deep-space tracking station of the National Aeronautics and Space Administration in the Mojave Desert to obtain several images, revealing the very long shape indicative of a cataclysmic past. Radio waves were bounced off the asteroid daily for a week last August.

BOOKS

THE HAUNTED LAND:
Facing Europe's Ghosts
After Communism

By Tina Rosenberg. 437 pages.
\$25. Random House.

Reviewed by Marc Fisher

In the eternal struggle between history and memory, a special chapter should be reserved for the criminals, co-conspirators and bystanders who manage to rewrite the past to award themselves the coveted title of "victim." When repressive governments and corrupt political systems finally fall, those who were the pillars of wrong transform themselves into the wronged. The latest example comes in central Europe, where deposed Communists and their vast armies of informers and snitches have spent the past five years explaining away old files, dodging prosecutors

and urging their countrymen not to judge the past by the standards of the present.

Tina Rosenberg, a journalist who previously devoted her attention to the black-batted dictators of Latin America and their white-swathed, impoverished victims, spent a couple of years ranging around the former Eastern bloc, where she found trickier shades of gray. Totalitarian Communists in Poland, Eastern Germany and what is now the Czech Republic turned everyone into both victims of and participants in the system. So when it came time to create democratic institutions and confront the past, each country had frustratingly little to show for its efforts.

Rosenberg surveys the menu of

WHAT THEY'RE READING

• Ann Huybens, the Belgian fashion designer, is reading Janet Frame's autobiography, which was the basis of the film, "An Angel at My Table."

"In the first volume, 'To the Is-land,' I love her very feminine, intuitive, surreal way of thinking."

(John Brunton, IHT)



staged confrontations between victims and their tormentors.

But she finds none of the strategies effective. In the Czech Republic, she discovers old Communist bureaucrats with a firm hold on money, access and contracts, despite a 1989 law that banned party officeholders and secret police collaborators from jobs in government, university or state enterprises. The Czech approach is arbitrary and unfair, Rosenberg concludes. "People have the right not to be heroes," she says, and the Czech system for vetting its citizens fails to show if someone was a dutiful socialist who nonetheless tried quietly to outwit the system.

The middle third of the book is mostly a profile of Wojciech Jaruzelski, the prim Polish general in the sunglasses who has transformed his popular image from Stalinist yes-man to patriotic hero. Rosenberg does not admire Jaruzelski, but she does allow to play in three no-trump, he would have scored 400 and East-West would have lost 61 points.

After a spade lead to the ace and a spade continuation, South had nine tricks but not a tenth. East-West gained 100 points, about double their margin of victory. If South had been allowed to play in three no-trump, he would have scored 400 and East-West would have lost 61 points.

Even in the former Eastern bloc, basic human sympathy for anyone who concedes fault can erase the deepest of resentments. Jaruzelski — a man who devoted himself to the Soviet system even after Stalinism ravaged his family — had only to apologize to his people and undertake a campaign to rehabilitate himself in the public eye, and, presto, his approval ratings soared.

Efforts to deal with the past reach their greatest bureaucratic efficiency and most ambiguous morality in Germany. Eastern Germans never had a chance to create their own process; it was imposed upon them by Western Germans only too eager to have another go at a process they

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BUSINESS / FINANCE

THURSDAY, JUNE 15, 1995

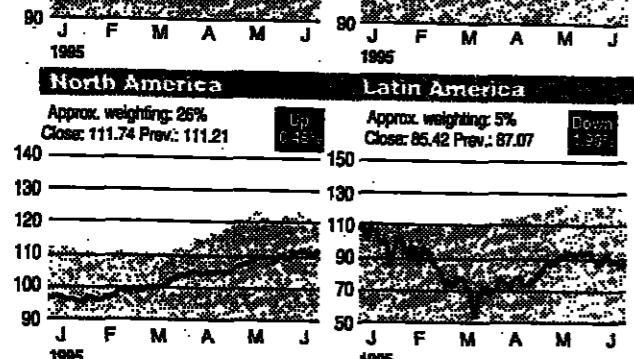
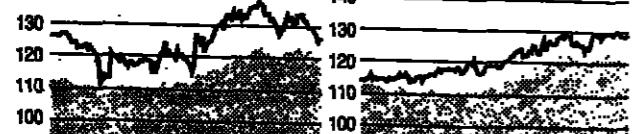
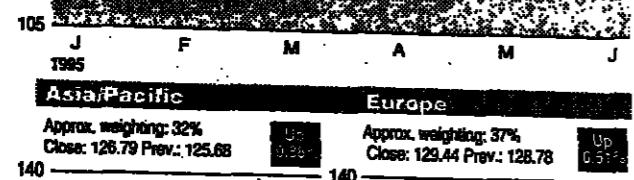
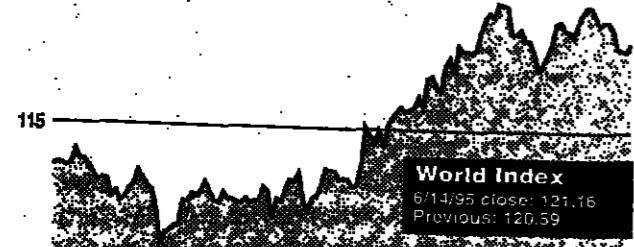
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	Wed. close	Prev. close	% change		Wed. close	Prev. close	% change
Energy	124.82	124.99	-0.14	Capital Goods	125.04	124.39	+0.52
Utilities	131.65	131.31	+0.26	Raw Materials	138.85	137.28	-0.31
Finance	118.79	117.98	+0.69	Consumer Goods	117.18	118.52	+0.57
Services	113.89	113.15	+0.65	Miscellaneous	122.43	131.35	+0.82

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INTERNATIONAL MANAGER

Story of Risk-Taking Ends in Tragedy

Lee J. Miller
Bloomberg Business News

BANGKOK — Dumri Kosuntai liked to play when the stakes were high, whether on the golf course, in the casino or in the boardroom. In 1989, the company Mr. Dumri founded, Unicord Co., paid \$283 million for Bumble Bee Seafoods Inc., which owned what was then the third largest-selling brand of canned tuna in the world.

After six years of trying to win back his money, Mr. Dumri, 43, concluded all bets were off. He shot himself in the head in his office Tuesday shortly after lunch, the police said.

Unicord, which has a debt burden of \$150 million, faces a troubled future without the man who had been able to soothe the creditors.

Banks made loans to Unicord because of Mr. Dumri's skills as an entrepreneur, an executive from a company that had supplied tuna to Unicord said. Without him, and with those big debts, Unicord is going to have trouble borrowing, he said.

Mr. Dumri founded Unicord in 1978. Within a decade he built it into one of Thailand's biggest tuna canners.

But he was not satisfied. He persuaded lenders to put up about 85 percent of the money he needed to buy Bumble Bee from Pillsbury Co., the U.S. food company that had just been taken over by Grand Metropolitan PLC of Britain.

"In retrospect, Unicord was in way over its head," said Samhorn Ruckpanich, vice president of Union Asia Finance, a unit of Union Asia Finance.

Co., a unit of Bangkok Bank Ltd. "But with the right pitch, it probably sounded like a perfect match at the time."

Among the leaders were Bangkok Bank, Bankers Trust New York Corp. and Heller Financial Inc.

If buying Bumble Bee was not a mistake, Unicord's subsequent strategy was.

Immediately after the takeover, Mr. Dumri tried to grab market share by

Unicord, which has a large debt burden, faces a troubled future without the man who had been able to soothe the creditors.

cutting prices. Soon Bumble Bee surpassed the No. 2 brand, Chicken of the Sea, owned by Stokely-Van Camp Inc., though it remained well behind the leader, Star-Kist, owned by H.J. Heinz Co.

"Dumri bought market share by dumping product," said Tim Real, general manager of Tri-Marine International Inc., a seafood supplier. "So he was losing money to reach his ultimate goal — to become the No. 1 tuna cannery."

Unicord had a loss of \$21 million (\$13 million) last year and lost an additional 171 million baht in the first quarter of this year.

This week, Unicord denied in a report to the Stock Exchange of Thailand that

Bangkok Bank was demanding repayment of 1 billion baht by year-end.

Deja Tulananda, Bangkok Bank's senior executive vice president, told the Bangkok Post that a rescheduling of Unicord's debt would be discussed at the bank's next board meeting. He said Unicord's problems would be solved if the company could sell Bumble Bee Seafoods.

That, though, is easier said than done. Mr. Dumri tried to sell Bumble Bee's brand name but not its three factories in California, Puerto Rico and Ecuador. The potential buyer was Chemical Venture Partners, a group of former Bumble Bee executives and Chemical Bank. Unicord said in February that a letter of intent had been signed to sell Bumble Bee for \$155 million.

The announcement was premature. The potential buyers were not pleased about the publicity, said a Unicord executive who asked not to be identified.

Unicord stock rose on news of the deal, and Mr. Dumri profited from it, the executive said, while other executives were not told much about the deal.

At the company's request, Unicord shares were suspended Tuesday. They last traded at 5.80 baht, down from this year's high of 7.40, reached in February when news of the sale was prematurely released. That sale still has not taken place.

The stock once traded at 160 baht in the over-the-counter market shortly before the company was listed on the Thai stock exchange in 1989.

CURRENCY & INTEREST RATES

Cross Rates

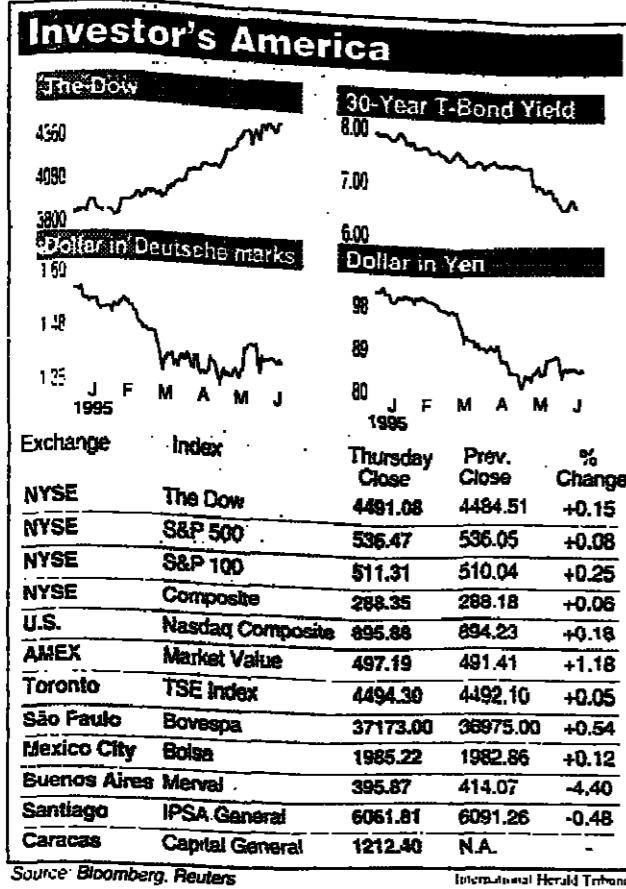
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Amsterdam	1.655	2.518	1.198	1.275	1.249	1.245	1.257	1.255	1.257	1.255	1.257	1.257
Brisbane	2.028	2.625	2.548	2.255	1.237	1.255	1.257	1.255	1.257	1.255	1.257	1.257
Frankfurt	1.255	1.877	1.280	1.265	1.255	1.255	1.257	1.255	1.257	1.255	1.255	1.257
London (e)	1.255	1.877	1.257	1.255	1.255	1.255	1.257	1.255	1.257	1.255	1.255	1.257
Madrid	1.729	1.948	1.851	1.255	1.255	1.255	1.257	1.255	1.257	1.255	1.255	1.257
Milan	1.655	2.015	1.351	1.255	1.255	1.255	1.257	1.255	1.257	1.255	1.255	1.257
New York (e)	1.255	1.877	1.255	1.255	1.255	1.255	1.257	1.255	1.257	1.255	1.255	1.257
Paris	1.255	1.877	1.255	1.255	1.255	1.255	1.257	1.255	1.257	1.255	1.255	1.257
Tokyo	1.455	1.877	1.255	1.255	1.255	1.255	1.257	1.255	1.257	1.255	1.255	1.257
Toronto	1.387	2.237	1.255	1.255	1.255	1.255	1.257	1.255	1.257	1.255	1.255	1.257
Zurich	1.555	1.877	1.255	1.255	1.255	1.255	1.257	1.255	1.257	1.255	1.255	1.257

a To buy one pound. *b* To buy one dollar. *c*: units of 100. *d*: not quoted. *e*: not available.

Other Dollar Values

Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$
Australian dollar	1.255	Canadian dollar	1.255	French franc	1.255	German mark	1.255	Italian lira	1.255	Japanese yen	1.255	Swiss franc	1.255
British pound	1.255	Chinese yuan	1.255	Dollar (U.S.)	1.255	Dollar (U.K.)	1.255	Dollar (Mex.)	1.255	Dollar (S.A.)	1.255	Dollar (Can.)	1.255
Belgian franc	1.255	Chinese yuan	1.255	Dollar (U.S.)	1.255	Dollar (U.K.)	1.255	Dollar (Mex.)	1.255	Dollar (S.A.)	1.255	Dollar (Can.)	1.255
Chinese yuan	1.255	Chinese yuan	1.255	Dollar (U.S.)	1.255	Dollar (U.K.)	1.255	Dollar (Mex.)	1.255	Dollar (S.A.)	1.255	Dollar (Can.)	1.255
Danish krone	1.255	Chinese yuan	1.255	Dollar (U.S.)	1.255	Dollar (U.K.)	1.255	Dollar (Mex.)	1.255	Dollar (S.A.)	1.255	Dollar (Can.)	1.255
Egyptian pound	1.255	Chinese yuan	1.255	Dollar (U.S.)	1.255	Dollar (U.K.)	1.255	Dollar (Mex.)	1.255	Dollar (S.A.)	1.255	Dollar (Can.)	1.255
French franc	1.255	Chinese yuan	1.255	Dollar (U.S.)	1.255	Dollar (U.K.)	1.255	Dollar (Mex.)	1.255	Dollar (S.A.)	1.255	Dollar (Can.)	1.255
German mark	1.255	Chinese yuan	1.255	Dollar (U.S.)	1.255	Dollar (U.K.)	1.255	Dollar (Mex.)	1.255	Dollar (S.A.)	1.255	Dollar (Can.)	1.255
Italian lira	1.255	Chinese yuan	1.255	Dollar (U.S.)	1.255	Dollar (U.K.)	1.255	Dollar (Mex.)	1.255	Dollar (S.A.)	1.255	Dollar (Can.)	1.255
Swiss franc	1.255	Chinese yuan	1.255	Dollar (U.S.)	1.255	Dollar (U.K.)	1.255	Dollar (Mex.)	1.255	Dollar (S.A.)	1.255	Dollar (Can.)	1.255

a London, New York and Zurich. *b* London, New York and Zurich. *c* London, New York and Zurich. *d* London, New York and Zurich. *e* London, New York and Zurich. *f* London, New York and Zurich. *g* London, New York and Zurich. *h* London, New York and Zurich. *i* London, New York and Zurich. *j* London, New York and Zurich. *k* London, New York and Zurich. *l* London, New York and Zurich. *m* London, New York and Zurich. *n* London, New York and Zurich. *o* London, New York and Zurich. *p* London, New York and Zurich. *q* London, New York and Zurich. *r* London, New York and Zurich. *s* London, New York and Zurich. *t* London, New York and Zurich. *u* London, New York and Zurich. *v* London, New York and Zurich. *w* London, New York and Zurich. *x* London, New York and Zurich. *y* London, New York and Zurich. *z* London, New York and Zurich. *aa* London, New York and Zurich. *bb* London, New York and Zurich. *cc* London, New York and Zurich. *dd* London, New York and Zurich. *ee* London, New York and Zurich. *ff* London, New York and Zurich. *gg* London, New York and Zurich. *hh* London, New York and Zurich. *ii* London, New



In U.S., Ad Spending Is Booming

By Stuart Elliott
New York Times Service

NEW YORK — Slowdown, schmardown. The leading forecaster of advertising spending in the United States has again revised upward his already optimistic projections for this year and issued an initial assessment for 1996 that is equally rosy.

"Despite a lot of negative rhetoric" about the potential for a weakening national economy, "the media marketplace is still very firm and expanding," said Robert J. Coen, senior vice president and forecasting director at McCann-Erickson USA in New York.

"The biggest advertisers are spending aggressively," he added. "Demand is very strong."

Mr. Coen spoke Tuesday at a seminar sponsored by McCann and its parent, the Interpublic Group of Companies, at the University Club in Manhattan. This

was the 22nd annual midyear forecast ad spending by Mr. Coen, who has been tracking marketing and media trends for 47 years and offers his predictions in June and December.

A year ago, Mr. Coen estimated that ad spending in the United States in 1995 would total \$15.7 billion. In December, he revised that estimate to \$15.9 billion. Now, he says, the total is likely to reach \$16.1 billion. That would be 7.9 percent higher than his final figure for 1994, which was \$15.0 billion.

The increase for 1995 is "really outstanding," Mr. Coen said, "particularly on top of the strong gain we had in 1994." Spending last year grew 8.7 percent from \$13.8 billion in 1993.

Ad spending is considered an indicator of economic health because marketers will raise or lower the amounts of money they budget to pitch products depending on their gauging of consumer moods. "The outlook for national adver-

tising is much stronger than I thought," Mr. Coen said.

Mr. Coen was once almost always bullish on ad spending, often issuing estimates higher than the data later proved. But he has tempered that ebullience since the recession in 1990. "This year, I think he's right," said James D. Dougherty, who follows the agency industry for the brokerage Dean Witter Reynolds, in New York. "He's got the numbers."

Last year and this year are "the best two-year period in the U.S. advertising business in 10 years," added Mr. Dougherty. "And this recovery is in place well into 1996."

Mr. Coen said he had raised his forecast for 1995 largely because of data for the first quarter indicating that the full year would be better than he had anticipated.

In the largest consumer-product categories, many advertisers increased spending "on top of unbelievably strong gains in the first quarter of 1994," he said.

DEFENSE: U.S. Contractors Foresee Wave of Mergers and Acquisitions

Continued from Page 13

close to the bottom," he said. "This is something we were prepared for. In the mid-1980s, we knew the Reagan buildup could not continue, even though we were not smart enough to foresee the Berlin Wall."

Mr. Manor predicted the market for defense equipment would bottom out in a couple of years and that the shakeout in the industry still had some way to go.

Lockheed Martin, which had combined sales of \$23 billion last year, is more diversified

than many of its rivals. Mr. Manor said, with about 40 percent of its business in civilian areas and 17 percent in international sales.

Apart from having to cope with the problem of repeated budget cuts, the defense industry is having to think about a different kind of warfare—low-level, low-technology and regional conflicts.

The industry executives said that in such a climate, high technology becomes even more important in order to find and

attack elusive targets without causing damage to civilian populations.

According to Mr. Kresa, "regional conflicts—which are considered likely by defense planners—will place a premium on rapid, flexible, survivable and highly integrated defense systems capable of operating at great distances from the United States."

Meanwhile, Boeing Commercial Airplane Group announced it had received enough commitments from airlines to proceed

with plans to build a stretched version of the 777 airliner, which is making its international debut at the air show.

The plane, to be called the 777-300X, will be capable of carrying up to 550 passengers in an all-economy layout. It will serve routes of up to 10,500 kilometers (6,000 miles).

Boeing announced that it had orders for 31 of the aircraft from All Nippon Airways, Cathay Pacific Airways, Korean Air and Thai Airways International.

Dollar Slides as the Bundesbank Stands Pat on Interest Rates

Bloomberg Business News

NEW YORK — The dollar fell against the Deutsche mark and most other major currencies Wednesday after the Bundesbank left German interest rates unchanged at its regular meeting on monetary policy.

Some traders said they had expected the Bundesbank to cut rates to counter slower economic growth in Germany. Lower interest rates often hurt a country's currency by making deposits in its banks less attractive.

The Bundesbank's decision was a mild surprise, and that hurt the dollar," said John McCarthy, manager of

foreign exchange at ING Capital Markets in New York.

In New York, the dollar closed at 1,4010 Deutsche marks, down from 1,4083 DM at the close on Tuesday, and at 84.38 yen, down from 84.61.

Against other currencies, the dollar closed at 4,9160 French francs, more than three centimes below its close of 4,9495 francs Tuesday, and at 1,1545 Swiss francs, down from 1,1613.

The pound rose to \$1.6126 from \$1.5956.

Analysts said they anticipated that Western Germany's economic growth would slide to 2 percent or less this

year from 2.4 percent last year, as the

strong mark and slowing growth elsewhere in the world took a bite out of German exports. But in explaining the Bundesbank's decision not to cut rates Wednesday, Bundesbank President Hans Tietmeyer said, "We don't see any economic dip here."

As a result, the Bundesbank left its discount rate, which acts as a floor for money-market rates, at 4 percent. The German central bank last cut the rate on March 30.

"There had been a little bit of pent-up expectation that they could do something on rates, and there was a

knockback reaction after they didn't," said Jonathan Griggs, a currency adviser at Barclays Bank in London.

Speculation that the U.S. Congress would not agree to President Bill Clinton's plan to balance the budget, unveiled Tuesday night, also weighed on the dollar, traders and analysts said.

Mr. Clinton outlined a plan to wipe out the deficit in 10 years, compared with congressional plans to do the same in seven years.

"The overall market reaction was unfavorable" to Mr. Clinton's plan, said John Rothfeld, an international economist at NationsBanc in Chicago.

With the Clinton proposal at odds with those advanced by Republicans in Congress, "it looks like we'll get gridlock," he said.

Prospects for a balanced budget can help the dollar by instilling confidence in U.S. assets.

Mr. Rothfeld said the dollar could fall to 1.35 DM and 80 yen by the end of June if Mr. Clinton and the Congress did not agree on a plan to eliminate the federal deficit.

The dollar is struggling because "the U.S. economy continues to weaken and the chance of getting anything done on reducing the budget deficit is questionable," said Mr. McCarthy.

Very briefly:

Transport Chiefs' Troubled 777 Ride

WASHINGTON (AP) — One of Boeing Co.'s new 777 airliners experienced a cabin pressure problem while carrying Transportation Secretary Federico P. Peña on a cross-country demonstration flight. The Federal Aviation Administration reported Wednesday.

In addition to Mr. Peña, the plane was carrying a delegation of transportation ministers from Asian countries.

The flight from Washington to Denver was traveling at 35,000 feet when the pressure fluctuation occurred. Oxygen masks did not deploy as they should if pressure is lost, but no damage or injuries were reported. The flight continued at an altitude of only 10,000 feet, arriving about 90 minutes late in Denver, where inspectors were investigating the incident.

• DuPont Co. was sued by nine former supervisors, all males, who charged the company with age, race and sex discrimination.

• Sprint Corp. said it might spin off its cellular telephone operations to comply with federal limits on the number of cellular businesses a company can own.

• Moody's Investors Service Inc. lowered its rating for senior debt of Bankers Trust New York Corp. to A2 from A1. Moody's said the change was prompted by continuing concern about the business impact of recent market moves.

• Intuit Inc., a California-based software company, filed with the U.S. Securities and Exchange Commission to sell 1 million shares of stock in a secondary public offering.

• Oracle Systems Corp. and Intel Corp. said they had reached an agreement to develop interactive video services for personal computers.

AFX, Bloomberg, Reuters, Knight-Ridder

Wednesday, June 14

Prices in local currencies

Yielders

High Low Close Prev.

Frankfurt

High Low Close Prev.

Johannesburg

High Low Close Prev.

Amsterdam

High Low Close Prev.

Kuala Lumpur

High Low Close Prev.

London

High Low Close Prev.

Helsinki

High Low Close Prev.

Bangkok

High Low Close Prev.

Bombay

High Low Close Prev.

Hong Kong

High Low Close Prev.

Brussels

High Low Close Prev.

Singapore

High Low Close Prev.

Tokyo

High Low Close Prev.

Copenhagen

High Low Close Prev.

Jakarta

High Low Close Prev.

Stock Exchange index: 1,547.79

Previous: 1,544.65

Hong Kong index: 1,344.77

Previous: 1,342.17

Copenhagen index: 1,547.79

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Compagnie de Suez Considers Suitor For Banking Unit

Compiled by Our Staff From Dispatches

PARIS — The chairman of Compagnie de Suez said Wednesday the company was considering seeking an external partner for its Banque Indosuez unit and would make a decision in the next week.

Gerard Worms also told the company's annual general meeting that Suez was considering adding retailing to its businesses. Mr. Worms has held talks with François Pinault, who controls the department store company Pinault-Printemps-Redoute SA.

Jacques Friedman, chairman of Union des Assurances de Paris, criticized Suez at the meeting for lacking a global strategy. Mr. Friedman, whose company owns 9.6 percent of Suez's voting rights, said "recent developments in the company are not satisfactory and justify a firm reaction."

Analysts have also said Mr. Worms must find a new strategy for Suez, which they say has a large amount of cash after selling its insurance business but no clear corporate policy.

Mr. Worms said Banque Indosuez, which is burdened with

bad property loans, had not performed particularly well in the first quarter.

"We are currently examining how to give them the means to achieve a level of profitability," he said. He added that a partner would be sought for Indosuez if it was necessary.

Mr. Worms said Banque Indosuez was the only part of the group that was performing less well than a year ago.

Compagnie de Suez has said the sale of Indosuez is not out of the question — raising the possibility that potential buyers may start showing up.

"We haven't given anyone a mandate," a spokesman for Suez said, when asked this month whether the bank was for sale. But the spokesman added, "it's not a taboo subject."

The prospect of a sale comes amid speculation that Suez may be at risk of a takeover bid from Banque Nationale de Paris and Union des Assurances de Paris. Analysts said last week that a link with Pinault-Printemps would be aimed at warding off predators. Shares in Suez fell 0.60 to 262 francs (\$33.25).

(Bloomberg, Reuters, AFX)

Sparebanken Raises Stakes In Battle for Norgeskreditt

Compiled by Our Staff From Dispatches

OSLO — Sparebanken NOR, known internationally as Union Bank of Norway, said Wednesday it had outbid Christiania Bank AS for Norgeskreditt Holding AS.

Sparebanken said it would pay 220 kroner (\$35) for each preference share in the mortgage and financial services company, topping Christiania's bid of 200 kroner a share. Norgeskreditt has 15.34 million preferred shares outstanding.

Norgeskreditt said it had asked Sparebanken to launch a counteroffer to Christiania to try to get a better deal for shareholders. It said Christiania's bid had left too many questions unanswered about the future structure of Norgeskreditt.

"The bid from Sparebanken NOR appears to be better on all

points of significance," Norgeskreditt said. "The board will, however, consider both bids when the final prospectuses are published and will offer its view to the shareholders before June 21."

Holders of 90 percent of Norgeskreditt's shares must approve Sparebanken's offer for it to go ahead.

Sparebanken said it would allow Norgeskreditt to remain an independent operation and retain its name. Trond Wemborg would retain his position as managing director.

Sparebanken's offer is valid from next Tuesday to July 3. It is contingent on Sparebanken acquiring all of Norgeskreditt's ordinary shares, which are now held by a foundation called Stiftelsen Norgeskreditt.

(AFX, Reuters)

Struggling to Create Jobs Europe Tries to Make Workers Less Costly

By Craig R. Whitney
New York Times Service

PARIS — Though the headlines would suggest that European leaders are obsessed with the quagmire in Bosnia, the most intractable problem facing most of the 15 countries of the European Union is jobs.

With unemployment rates above 12 percent in France and Italy, 23 percent in Spain and about 9 percent in Germany, joblessness at the highest levels since recovery from World War II, and politicians are under pressure to get it down.

The report said Portuguese workers put in an average of 1,823 hours a year, compared with 1,451 in the Netherlands.

The Dutch, however, have fewer public holidays — six a year — than any other country.

Germans have the most vacation time, an average of 30 days a year. Ireland has the least, averaging 20 days.

The survey covered part-time and full-time workers.

Portugal Leads The Labor Table

The Associated Press

BRUSSELS — People in Portugal work longer than any other national group in the European Union, while the Dutch work the shortest hours, according to an EU survey released Wednesday.

The report said Portuguese workers put in an average of 1,823 hours a year, compared with 1,451 in the Netherlands.

The Dutch, however, have fewer public holidays — six a year — than any other country.

Germans have the most vacation time, an average of 30 days a year. Ireland has the least, averaging 20 days.

The survey covered part-time and full-time workers.

health and social security benefits away from employers and onto the general tax rolls.

Some people are skeptical of his plan will work. "There are so many rigidities in our economy," said Edmond Bonin, a retired businessman in Reims who argued that government regulations and ingrained public attitudes made it difficult for local enterprises to create jobs.

"It is an aberration nowadays to pay people a 13th- or even a 14th-month salary every year, but we do, and they want to hang onto these things," he said. "What we need is to change the way the French think, but that will take a generation."

Mr. Chirac plans legislation to cut back the government-imposed payroll taxes, provide subsidies to companies that hire certain workers and raise the minimum wage.

Added in the cost of other initiatives, the effort could cost \$15 billion a year, money the government will probably have to find by raising taxes.

Most European countries are unwilling to follow the lead of the United States, which has created millions of jobs by allowing companies to hire part-time employees without the traditional full benefits.

France's plan to bring down its unemployment rate — which is more than twice that of the United States and higher than that of Japan, Germany, Canada, Britain or Italy — will be closely examined when leaders of the Group of Seven major industrial powers meet in Halifax, Nova Scotia, this week.

Germany, Europe's biggest economy, has had three consecutive years of union wage settlements below the rate of inflation, leaving millions of workers in the unheard-of predicament of effectively having less money in their paychecks than they had the year before.

Now, in France, Mr. Chirac is trying to shift some of the burdens of paying for

ers with high hourly wages, long vacations and comprehensive health and welfare benefits.

But voters do not want to lose these benefits, so Europe is only slowly beginning to chip away at the edges of the welfare state and trying to leave the foundations intact.

The prospect of chronic joblessness at politically dangerous levels is bringing Europe's leaders face to face with some deeply entrenched assumptions about salaries, benefits and tax policy.

Most European leaders agree that one important reason their economies are unable to create jobs — indeed, have eliminated hundreds of thousands of them — is the high cost of providing work-

ers with high hourly wages, long vacations and comprehensive health and welfare benefits.

But voters do not want to lose these benefits, so Europe is only slowly beginning to chip away at the edges of the welfare state and trying to leave the foundations intact.

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Now, in France, Mr. Chirac is trying to shift some of the burdens of paying for

U.K. Jobless Ranks Thin Only Slightly

Compiled by Our Staff From Dispatches

LONDON — The number of jobless workers in Britain fell by only 10,000, to 2,317,000 in May, the Department of Employment said Wednesday.

It was the 21st consecutive monthly decline, but the smallest drop since January 1994. Analysts had expected a larger drop. The unemployment rate was unchanged at 8.3 percent.

The annual increase in workers' average earnings was unchanged at 3.5 percent in the three months to April, the government said. Analysts said this was encouraging for the inflation outlook.

Unit labor costs for British manufacturers rose 2.4 percent in April from a year earlier. That followed a 1.7 percent rise in the first quarter.

(Bloomberg, Knight-Ridder)

KHD Chief Steps Down As Firm Struggles

Reuters

BONN — The chief executive of Klöckner-Humboldt-Deutz AG stepped down Wednesday amid widespread reports of a conflict with Deutsche Bank AG, the company's biggest shareholder.

The resignation of Werner Kirchgässner, chairman of the management board since 1991, was announced after a special meeting of the supervisory board, which had been preceded by weeks of speculation that he would step down.

"Kirchgässner took over the chairmanship in a particularly difficult phase, and the reorientation he introduced will be a considerable precondition for KHD's recovery," the supervisory board's chairman, Michael Endres, said. The company said the new chairman, Anton Schneider, would take the helm at the struggling machinery maker Thursday.

KHD quoted Mr. Schneider as saying he would concentrate on strengthening the company's core businesses, improving costs and reaching out more to customers. Mr. Schneider, 43, was on the board of the shipbuilder Bremer Vulkan Verband AG until March.

In January, KHD announced a package of measures, including a capital rise and capital write-down, after reporting a loss of 480 million Deutsche marks (\$340.8 million) for 1994.

Deutsche Bank holds about 48 percent of the group's capital. Mr. Endres, a senior Deutsche Bank executive, replaced Hilmar Kopper, the bank's chairman, as supervisory board chairman of KHD in January.

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Deutsche Bank has agreed to write off 150 million DM of KHD debt and join other creditor banks to issue a credit line of 200 million DM.

As part of a restructuring plan, KHD sold off its farm machinery business and will now concentrate on bringing its main businesses, plant construction and diesel engine construction, back to profit.

KHD has undergone several restructurings, slashing more than 13,000 jobs since 1987.

(Reuters, Bloomberg, AFX, AFP, AP, Knight-Ridder)

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	EOE	430.57	431.83	-0.28
Brussels	Stock Exchange	7,569.79	7,544.86	+0.33
Frankfurt	DAX	2,126.02	2,115.11	+0.51
Copenhagen	Stock Market	358.66	358.16	+0.14
Helsinki	HEX General	1,853.36	1,870.35	-0.91
Oslo	OBX	391.88	388.53	+0.86
London	FTSE 100	3,339.80	3,348.00	-0.24
Madrid	Stock Exchange	285.47	285.50	-0.01
Milan	MIBTEL	9,757.00	9,765.00	-0.08
Paris	CAC 40	1,893.65	1,822.79	-5.12
Stockholm	SX 16	1,715.92	1,737.70	-1.25
Vienne	ATX	1,016.62	1,020.91	-0.42
Zurich	SPI	1,841.12	1,840.86	+0.04

Source: Telekurs

International Herald Tribune

Source: Telekurs

International Herald Tribune</div

Bank of Japan Says Repackaging Loans Would Help Banks

Compiled by Our Staff From Dispatches

TOKYO — The governor of the Bank of Japan on Wednesday called for the country's troubled banks to deal more aggressively with their bad loans by packaging some of them into tradeable securities and posting losses on others.

In his most detailed public comment yet on the bad-loan problems, that have beset Japan's banks, Yasuo Matsushita said he thought those two measures would help deal with the problem.

Recent government estimates said Japan's banks were weighed down by 40 trillion yen (\$477 billion) of nonperforming loans, but analysts have said the actual figure may be twice that.

Finance Minister Masayoshi Takemura announced a rescue package last week to help solve the banking crisis, which he called the worst since the Depression, but analysts criticized the plan as too vague.

The government has yet to allocate public funds to bail out banks because many Japanese blame reckless lending by banks for the country's last recession and do not want their taxes to be spent to rescue such banks.

Mr. Matsushita said the packaging of bad loans into such products as asset-backed securities would be one solution.

Determining a fair value of assets and then bundling them into packages of securities for sale would be one way of turning a "bad asset" into a "good asset," he said.

"It's well known that securitization of bad loans contributed

to solving the U.S.'s bad-loan problems," he said.

"Even if such a security did not yield a dividend for five years, after that an investor might be able to count on a large capital gain," Mr. Matsushita said.

He urged broader disclosure by financial institutions, calling it a precondition to completely promote the principle of self-responsibility and is a basis to protect investors and maintain the market mechanism."

Speaking at a meeting of a Japanese business group, Mr. Matsushita also said the economy's moderate recovery was still on track but acknowledged that it had been slower than past recoveries.

As factors limiting confidence in the economy, he cited the yen's wide swings against other currencies, growing industrial competition from other Asian countries and the banks' bad-loan problem.

The yen has risen 19 percent against the dollar since the beginning of the year, making it increasingly difficult for Japanese exporters to sell profitably overseas. The Nikkei Stock Average, meanwhile, has fallen 26 percent in 1995. On Wednesday, stocks edged 60.81 points higher to 14,660.49.

To shore up the faltering recovery, the Bank of Japan trimmed its discount rate to a record low of 1.0 percent in April.

"We expect a decline in these rates will gradually support the economy," Mr. Matsushita said. (Knight-Ridder, Bloomberg)

China Chips at Inflation

Rate Falls for 6th Month in Row, to 20.3%

Compiled by Our Staff From Dispatches

BELIJNG — China said Wednesday that its consumer price inflation rate fell for the sixth month in a row in May, to 20.3 percent annually from 20.7 percent in April.

Beijing is hoping its tight credit policies will bring the country's annual inflation rate, which peaked in November at 27.5 percent, down from the 24.7 percent recorded for all of 1994 to about 15 percent this year.

The government also reported that investment in fixed assets by state-owned units totaled 81.97 billion yuan (\$9.88 billion) in May, 21.2 percent higher than for the year-earlier month and close to the 21.1 percent growth rate recorded in April, the State Statistics Bureau reported.

This apparent leveling off of investment growth in April and May also could lead to a further slowing in the country's inflation rate, analysts say.

"If you take these figures, along with the slowdown in industrial output, then it's positive news in terms of the economy achieving a

soft landing," said Qu Hongbin, economist with Smith New Court in Hong Kong.

"If production and investment continue to slow, then the pressure on inflation will be further eased," said Huan Guoceng, chief economist for northern Asia with J. P. Morgan.

Last week, the bureau reported that industrial production in May was 13.1 percent higher than a year earlier, down from the 15.4 percent growth rate recorded in April.

Economists noted, however, that there were still many signs of inflation. Average urban consumer price increases slowed only marginally, from 20 percent reported in April to 19.9 percent in May, and the average consumer price inflation rate of 35 major cities was steady at 19.7 percent.

"Inflationary pressures are still being released in the economy," said Ma Guonian, China economist for Peregrine Brokerage in Hong Kong. "Part of the problem is the 30 percent-plus wage growth that's still going on, as well as the relatively low base last year that we are comparing with." (Bloomberg, AP)

Ayala Sues to Annul Fort Sale

Bloomberg Business News

MANILA — Threatening to scuttle the biggest state asset sale of President Fidel V. Ramos's three years in office, a consortium led by the property developer Ayala Land Inc. filed suit Wednesday to annul the sale of Fort Bonifacio.

The consortium of local and foreign companies made a bid in January for the fort, a former military camp on the edge of Manila's Makati financial district that is considered ripe for development. But it lost out to a group led by the Hong Kong-based Metro Pacific Corp.

The suit alleges that the bases

Conversion Development Authority, the government agency that is managing the sale of military camps, changed its bidding rules to favor Metro Pacific.

Metro Pacific, the Philippine flagship of Hong Kong's First Pacific Co., led a 19-member consortium that won Fort Bonifacio with a bid of \$9.2 billion pesos (\$1.53 billion) on Jan. 6.

With its bid, the group won the right to own 55 percent of Fort Bonifacio Development Corp.

The Ayala-led group, which includes Bank of the Philippines Islands as well as Mitsubishi Corp. and Marubeni Corp. of

Japan, placed second with a bid of 28.7 billion pesos.

Ayala's lawyer, Sabino Padilla, said a surety bond issued by Pioneer Insurance & Surety Corp. to guarantee the second payment of Metro Pacific had been flawed and that Pioneer's net worth was only 3 percent of the amount guaranteed.

The Metro Pacific group paid 50 percent of its bid price on Feb. 13 and is required to pay the balance by February 1996.

For collateral, the Metro Pacific group pledged its shares in Bonifacio Land Corp., the consortium's holding company. Ayala said bidding rules barred such an arrangement.

Fujitsu Plans to Make a Product Suitable for Hanging

Compiled by Our Staff From Dispatches

TOKYO — Fujitsu Ltd. will begin production of lightweight flat-screen color television sets in two years, the company said Wednesday.

The sets will feature a plasma-display screen that is only 6 centimeters (2.4 inches) thick, so it could be hung on a wall. The 42-inch (106-centimeter) screen also could be linked to personal

computers or video game players. Plasma screens trap gases between two sheets of glass to produce ultraviolet rays that generate red, green and blue fluorescent light.

The company is looking for a production site in Japan and hopes to be manufacturing 20,000 screens a month by 1997, a spokesman said. He would not confirm local press reports that Fujitsu

would spend 60 billion yen (\$715 million) on a plant to build the screens. (Bloomberg, Knight-Ridder, AFP)

■ Strong Yen Forces Minolta Loss

Minolta Co. said Wednesday that the strength of the yen and the cost of keeping products in storage caused its worldwide operations to run a loss in the year ended March 31, Bloomberg Business News reported.

Hang Seng Is Lifted by Telecom

Compiled by Our Staff From Dispatches

HONG KONG — The Hang Seng index jumped nearly 3 percent Wednesday, helped by Hong Kong Telecommunications Ltd., which rallied after CITIC Pacific Ltd. said it would not sell its stake in the phone company.

Hong Kong Telecom finished at 15.60 Hong Kong dollars (\$2.02), up 50 cents, contributing to the Hang Seng's biggest rise in three weeks. The index rose 2.87 percent, to 9,364.77.

CITIC Pacific said its parent company had sold its stake in Hong Kong Telecom but that it had no plans to lower its own stake in the company.

"CITIC Pacific hasn't sold a single share," said Henry H.L. Fan, managing director of the Hong Kong-based conglomerate. "Our 12 percent stake is intact, and we will hold this as a long-term investment."

CITIC (Hong Kong) Ltd. sold 61 million of the main Hong Kong telephone company's shares from Feb. 21 through Monday. Mr. Fan said, adding that the proceeds would be used for infrastructure projects in China. The sale reduced CITIC Hong Kong's stake to about 1.36 percent from 1.90 percent, analysts said.

CITIC Hong Kong is the subsidiary of China International Trust & Investment Corp., which owns publicly traded CITIC Pacific.

Investors had been concerned that a sale by CITIC Pacific would foreshadow weak earnings for Hong Kong Telecom.

"CITIC Pacific is a firm holder," said Adam Quinton, a telecommunications analyst at Merrill Lynch & Co. in Singapore. "Investors would take it badly if CITIC Pacific sold."

In addition to Telecom's strength, the Hang Seng drew support from expectations of lower interest rates. Rates in Hong Kong tend to track those in the United States because the territory's currency is pegged to the U.S. dollar.

"We think there is a good chance of a Fed rate cut, and that's good news for Hong Kong," said Simon Gard, derivatives sales director at Kleinwort Benson Securities Asia. (AFX, Bloomberg, Knight-Ridder)

Investor's Asia

Exchange	Index	Wednesday	Prev. Close	% Change
Hong Kong	Hang Seng	9,364.77	9,103.17	+2.87
Singapore	Straits Times	2,138.23	2,138.23	Unch.
Tokyo	Nikkei 225	14,660.48	14,599.88	+0.42
J F M A M J	J F M A M J	J F M A M J	J F M A M J	J F M A M J
1995	1995	1995	1995	1995

Source: Telekurs

International Herald Tribune

Very briefly:

- Hewlett-Packard Co. plans to expand its business in China through a new venture in Shanghai and government-backed research projects; the U.S. computer maker is to set up a holding company in Beijing, Hewlett-Packard China Ltd.

- Asia Securities International Ltd. of Hong Kong has bid to buy control of a commercial development in Beijing for 824 million Hong Kong dollars (\$106.5 million).

- Li Ka-shing of Cheung Kong (Holdings) Ltd. sold Hutchison Whampoa Ltd. shares for the second time in a month, raising 193.2 million Hong Kong dollars (\$25 million); the Hong Kong billionaire has reduced his share in the company to 44.19 percent from more than 45 percent.

- Shanghai Light Industry Machinery Co., a machine-tool maker, suspended a plan to make 30 million state shares available to Chinese individual investors, saying it had not met "necessary conditions" for the conversion of shares.

- Fu Yu Manufacturing Ltd. shares rose 14 percent on their first day of trading in Singapore; the maker of plastic products closed at 45.5 cents (32.66 U.S. cents).

- Petronas Gas Bhd., a unit of the Malaysian national oil company, plans to raise 800 million ringgit (\$328 million) through the sale of zero-coupon Islamic debt securities and to offer 450 million shares at 5.30 ringgit each.

- National Power Corp. of the Philippines is to complete plans by October to break the state utility into subsidiaries and sell the parts to private investors.

- Niuguni Mining Ltd. completed the purchase of a 16 percent interest in the Lihir gold project in Papua New Guinea from Kenmare Explorations (Australia) Ltd. for \$48 million.

- Taj Group of Hotels plans to add 21 properties to its current portfolio of 41 hotels; the Indian group raised \$75 million in an April issue of global depositary receipts.

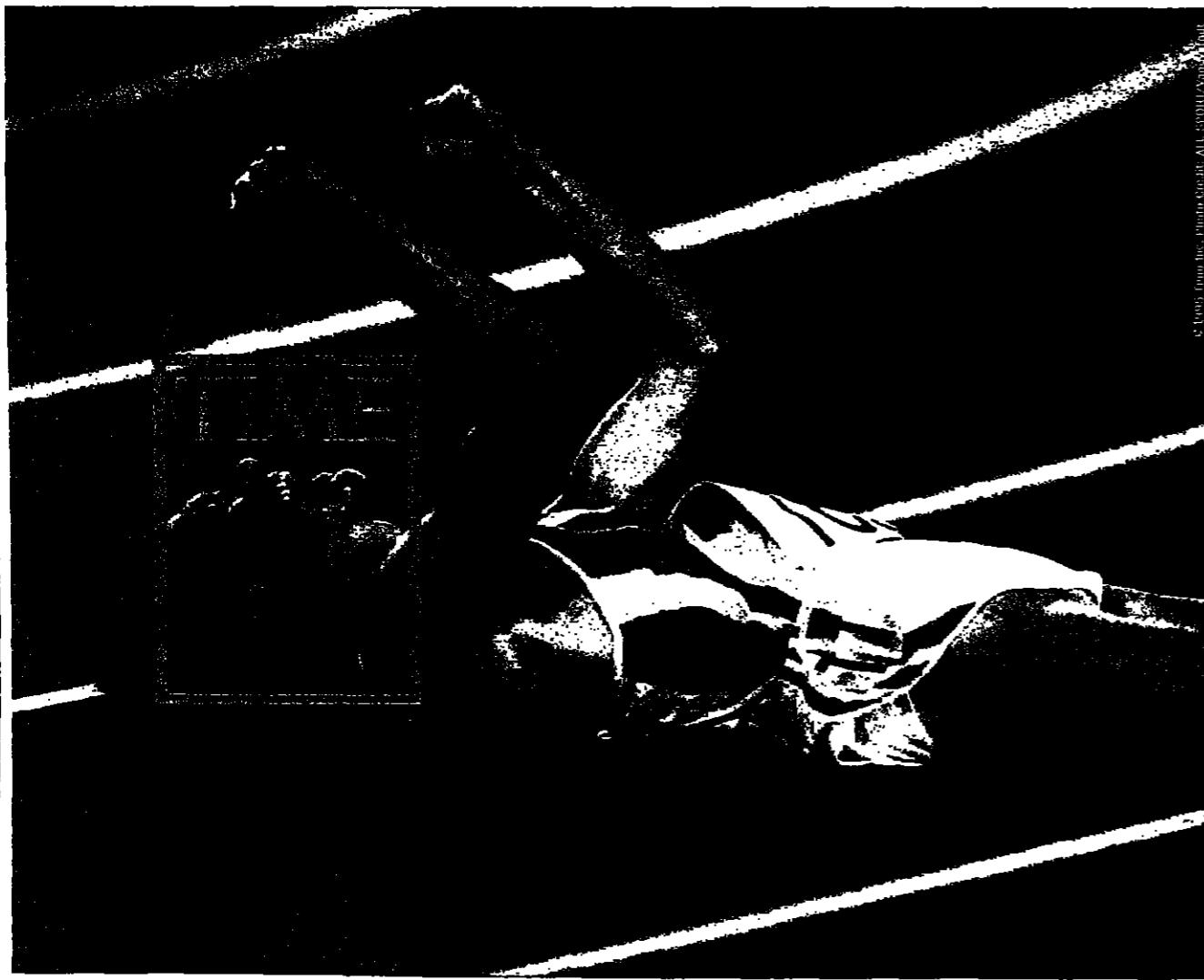
- France said a consortium led by Dumez would resume work on a hydroelectric power project in Jammu-Kashmir state in India that they abandoned three years ago.

A.P. Bloomberg, Knight-Ridder

NYSE

Wednesday's 4 p.m. Close

(Continued)



The stopwatch never lies.

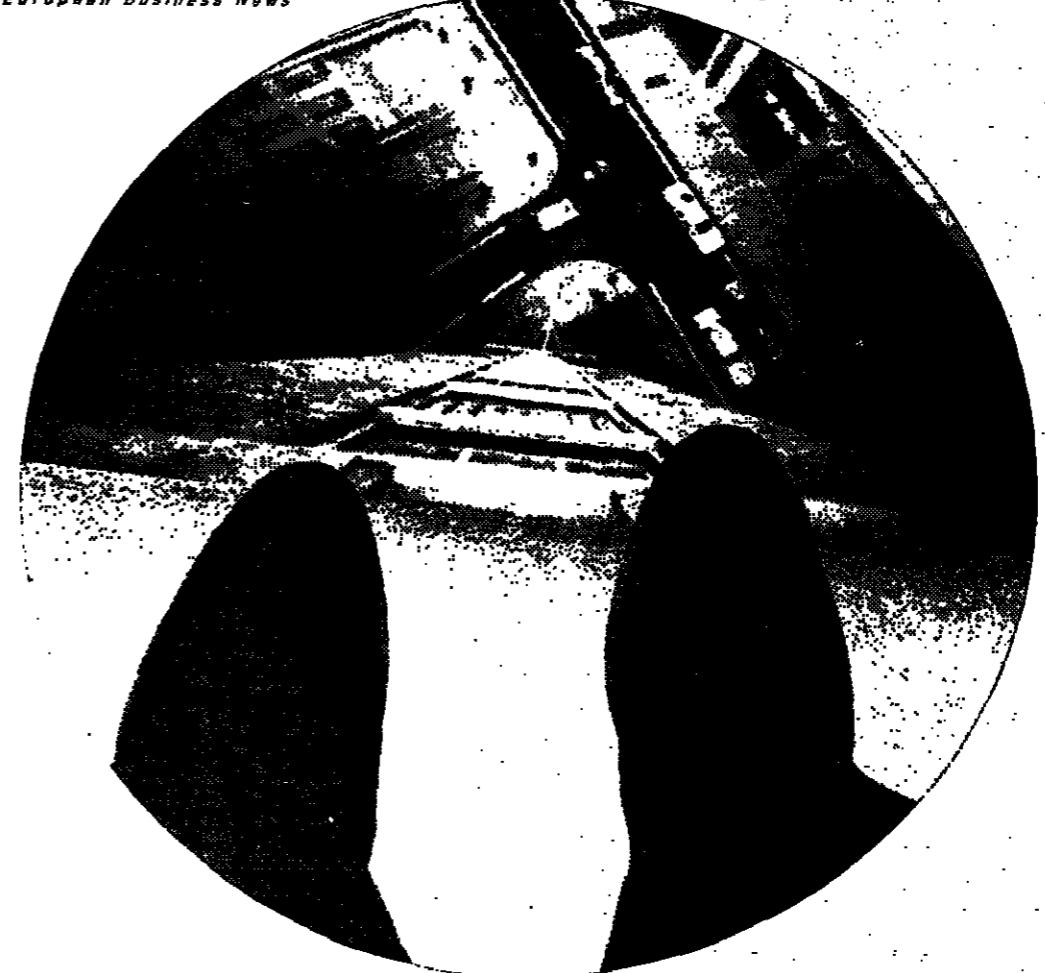
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Herald Tribune SPORTS

THURSDAY, JUNE 15, 1995

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Rain Falls, Sun Shines On English

Compiled by Our Staff From Dispatches
CAPE TOWN — Rain continued to fall Wednesday, brightening England's hopes for an advantage when it faces New Zealand in the second Rugby World Cup semifinal at Newlands on Sunday.

The rain, which began late Tuesday, was further drenching a pitch that already was extremely damp when England beat Australia, 25-22, in the quarterfinal last weekend.

The weather was better for the English, who also benefited from a soggy field for three first-round matches in Durban.

June is the wettest month of the year in Cape Town, and more rain was predicted before kick-off Sunday — which would suit an England team that bases its tactics around its heavier pack.

New Zealand will attempt to counter England's potential advantage by training in the wet at Newlands on Friday.

The All Blacks have been granted permission to fly south from Pretoria 24 hours earlier than scheduled.

Ian Jones, the All Blacks' lineout specialist, said Wednesday it would require a good performance by his team's pack to beat England.

"Yes, I think they probably are the best in the world, their whole pack is," said Jones, a member of the New Zealand forwards who lost, 15-9, to England at Twickenham in 1993.

"They do the set-plays very well and have done it over a period of years. You don't win as many Five Nations competitions as they do without having a good pack, so it's a big challenge for the New Zealand tight five and the pack in general."

South Africa's coach, Kitch Christie, sprang a major surprise on Wednesday when he named Mark Andrews to play at number eight against France on Saturday in Durban.

Andrews, usually a lock forward, was chosen ahead of regular number eight Rudolf Straeuli and Adriano Richter as Christie opted for greater height in his line-out.

Andrews has never played at number eight at senior level, although he was picked as a flanker on his first Springbok tour to Argentina in 1993.

Fullback Andri Joubert, in doubt after having a finger broken against Western Samoa last weekend, was also named to the team.

France took a gamble Wednesday and named a new scrumhalf who was not on the original squad.

Fabien Galthie, 26, who last played for France in the 14-18 Five Nations loss to England in 1994, will replace Aubin Hueber at the crucial link between France's potent pack and swift backs.

Galthie, who flew to South Africa last week after Guy Accoccerberry broke his arm in France's last pool game, against Scotland, was picked over Aubin Hueber in the only change from the side that beat Ireland in the quarterfinals. (Reuters, AP, AFP)

A Tour de France Quarrel Unseats a Rising Young French Rider

By Samuel Abt
International Herald Tribune

hours after Aki was not selected for the Tour de France.

PARIS — Out of meanness and sheer spite, Franck Jamo may have lost his job with the Aki professional bicycle racing team. Out of anger and arrogance and all the other usual brute reasons. Out of revenge.

"Revenge," he said, thinking about the suggested word. "Yes and no. Nothing is simple. But this is not right."

The word rolled through his mind. "Yes," he decided. "Revenge."

Officials of the Aki team, which is based in Monaco, cannot make up their minds whether to agree with Jamo. There was no fashion show of down-sizing or rightsizing when Francesco Lagger, the team's sponsor, announced his decision Monday.

"We have contracts and we will respect them," he said. "We don't need hostages but professional riders."

While other teams that didn't make the Tour list of 20 that will assemble

in Brittany on July 1 — most notably Telekom from Germany and ZG Mobile from Italy — grumbled and moaned, none reacted, even initially, against its riders.

"Why penalize me?" Jamo asked.

"I didn't make the selection."

Telekom, which is ranked ninth among the sport's top 30 teams, appeared to have a more reasonable protest than Aki, which ranks 22. Both were incredulous that a Tour berth was awarded instead to Chazal, ranked 25th and the winner of just one race this season.

Chazal, however, is a French team based in Monaco, it is an Italian team. And so Aki officials declared war on the French. Whether the new truce will hold is uncertain.

"I don't know how much longer

we'll be paid," Jamo said. "I have a meeting with them on Friday to find out."

Jamo hopes for a second bolt of that lightning. A native and resident of the Paris suburbs, he was interviewed from Antibes, on the Cote d'Azur, where he is training for the French road-racing championship on June 25. "Lots of good climbing in the hills around here," he said. Last year he finished 10th in the championship, a performance strong enough to win him the job with Aki when Cavatina folded at the end of the year.

As a second-year professional who ranks No. 367 on the computerized list of the world's top 900 riders, he probably makes not much more than the French minimum wage of 8,000 francs (\$1,600) a month.

Speaking on the phone, he seemed unruffled. He may be out of a job but, a month short of his 25th birthday, not out of hope.

Besides, he has been here before: Last year he rode for the Catalana team based in France and when it was not selected for the Tour, officials announced that the team would be disbanded. Eventually they relented and allowed the riders to finish the season and perhaps do well enough to attract a new team.

Jamo is a native and resident of the Paris suburbs, on the Cote d'Azur, where he is training for the French road-racing championship on June 25. "Lots of good climbing in the hills around here," he said. Last year he finished 10th in the championship, a performance strong enough to win him the job with Aki when Cavatina folded at the end of the year.

"I'm not the fastest sprinter," Jamo admitted. "I'm a good equipier," a support rider, "but if the moment needs a sprinter, I'll go."

What now?

"The French championships first," he replied. "Then I may go to America for races in July. No Tour de France for me, that's for sure."

"Maybe I'll ride as an independent for the rest of the season, maybe Aki will have a change of heart. I'll know Friday. Whatever they say, I'll tell them that this is not right."

The DuPont victory caught every-

Cameras Bug Flyer Christie at Heathrow

The Associated Press

LONDON — Linford Christie, the world and Olympic 100-meter champion who said the media was driving him into retirement, threatened Wednesday to attack reporters and photographers at Heathrow airport as he flew to Germany for a meet.

As he arrived half an hour before his flight to Nuremberg was to leave, and the cameras began to click, Christie stopped abruptly and angrily demanded of one photographer: "Do you want some? Do you want some, eh?"

As he moved on toward the airline desk he turned to the other reporters and cameramen and said, "If you lot want some today you'll have something different to write about, O.K.?"

"I don't want to see bloodshed on this airport but if you want some . . ."

During his emotional announcement on television Monday night, Christie claimed that harassment and pressure from the media had driven him to the point that he was retiring after the world championships in Gothenburg, Sweden, in August. He said he will not defend his Olympic title in Atlanta next year.

After checking through passport control at Heathrow, he called over airport officials, one of whom later said, "He was extremely angry and was complaining that he was being harassed."

The airline ordered a car and drove Christie and another athlete, Jon Rogers, out to the plane so that they could avoid the press waiting for Christie in the corridor.

Christie, who has been beaten in four of his five races so far this season, is to run Thursday at a meet in Nuremberg.



Mark Phillips/Agence France-Presse
Bernhard Langer practiced at No. 9 as, behind him, greens crews prepared the Shinnecock Hills Golf Club for the Open.

NBA and Players Meeting Again as Lockout Looms

The Associated Press

NEW YORK — Negotiators for the National Basketball Association and its players association were to meet for the third straight day Wednesday as a lockout loomed.

Commissioner David Stern has said that if a new collective bargaining agreement is not reached by the end of the playoffs, the league would lock out the players. With Houston leading Orlando by 3-0 in the best-of-7 final, Game 4 was to be played Wednesday night.

"I can't characterize the details of our negotiations," said Simon Gourdeau, executive director of the players association. "But it's safe to say if we had eight hours of meetings on Monday and 10% yesterday, that speaks for itself. Obviously, we are intensively involved."

The players are seeking revenue from a greater number of sources, such as international licensing and arena revenue,

and a larger share of total revenues.

The increase in revenue share would effectively raise the salary cap from the present \$15.9 million to more than \$20 million.

The owners want to close loopholes in the cap, including one that allows teams to re-sign their own free agents without cap limitations. The players are staunchly opposed.

Hakeem Olajuwon will again spend a busy offseason as the NBA's international spokesman, with a tentative list of six cities in Europe to visit on behalf of the league.

Olajuwon also made the tour last season after the Rockets won their first title, making appearances in London, Munich, Rome, Milan, and London. His tour ends Sept. 12.

The players are seeking revenue from a greater number of sources, such as international licensing and arena revenue,

SIDELINES

Samarach: Captain of the Ship

BUDAPEST (AP) — Juan-Antonio Samaranch portrayed himself Wednesday as a captain who could not abandon the Olympic ship as he opened the International Olympic Committee's 104th Session.

"Modern sport is like a vessel on which we are sailing, and where we find ourselves alongside the international federations and national Olympic committees," he said.

He said the Olympic movement could be successful only if it was properly coordinated, adding: "I say coordinated and not left, keeping as the fundamental principle the desire to respect at all times the independence and autonomy of each body."

Most IOC members appeared ready to keep Samaranch, 75, in the helm and ready to prolong his mandate at Thursday's meeting of the session.

Officials of the Japanese city of Nagano said Wednesday that their preparations to host the 1998 Winter Games were threatened by the falling dollar and asked for a greater share of global sponsorship revenue.

For the Record

Mike Tyson's Harlem homecoming likely will be scaled back after strong criticism by community activists opposed to celebrating the return of a convicted rapist. (Reuters)

John Muckler resigned as coach of the NHL's Buffalo Sabres and signed a three-year deal to remain general manager. (AP)

Malaysia said that all soccer players and officials in the country will have to declare their assets in a government crackdown on rampant match-fixing and bribery. (AP)

The Big Ten and the Pac-10, which have maintained their Rose Bowl relationship despite changes in the college bowl landscape, said they will reexamine the arrangement following the 2000 season.

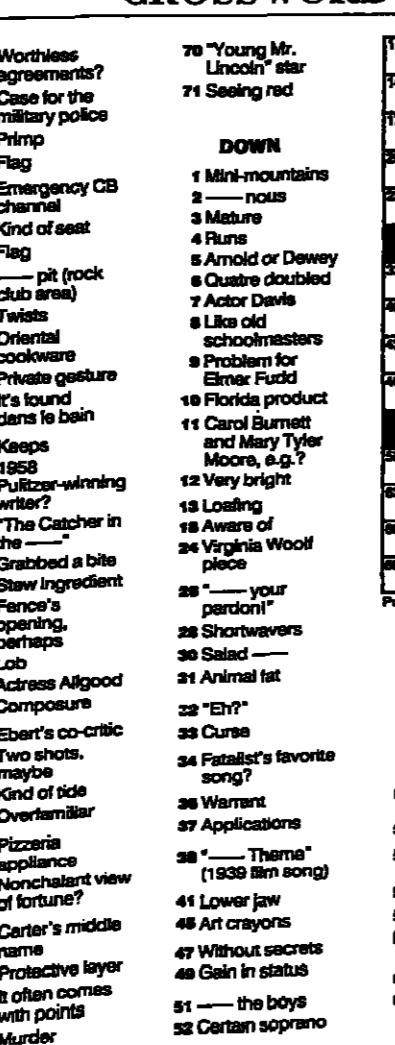
The Big 12 — a union of four schools from the Southwest Conference with the schools of the Big Eight Conference — approved a football playoff game between the North and South division champions. (AP)

Martina Navratilova will return to Wimbledon for the 23rd consecutive year, receiving a wild-card entry for the women's doubles, where she will team with Steffi Graf. (AP)

ESPN, the U.S.-based cable sports network, said in Singapore that it plans to produce three separate language and programming feeds for India, greater China and southeast Asia. (Reuters)

David Pleat returned to the top flight in English soccer when he left Luton to take over at Sheffield Wednesday on a 2-year contract. (AP)

CROSSWORD



Solution to Puzzle of June 14

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SONHOVER RELENT
FORECAST
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ESTER GRAM AGR
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ART BUCHWALD

Generation Reversal

WASHINGTON — I love Father's Day. It's not just the gifts, or the choice of pie or strawberry shortcake that is offered to me, but I love the way my children treat me like the village idiot.

There comes a time in every father's life when the father-role is reversed, and the offspring is giving the orders and the patriarch accepts it because he has no choice. I can't pinpoint the exact moment when I began to be patronized, but once you go down that road there is no turning back.

I first noticed that things weren't the same when my children started to talk about me at the dinner table as if I wasn't there.

"He looks very good," one child remarked, "although I wish he would exercise more."

My son said, "I tried to get him out on the tennis court the other day, but he said that he'd



Buchwald